

**FINAL BUDGET OF**

**UMHLABUYALINGANA MUNICIPALITY**

**2019/2020**

**MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK**

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## Part 1 – Annual Budget

### 1.1 Mayor's Report

Madam Speaker, and

Fellow Councillors

We started this journey 10 months ago when I presented the Budget and IDP process plans in August 2018 and the council of Umhlabuyalingana adopted that process plan. During the month of October 2018 the council had public consultations within the communities of Umhlabuyalingana Municipality. In those consultations the public voiced out their needs and the municipality has taken those needs and concerns into consideration when reviewing the Integrated Development Plan for 2019/2020 financial year.

In the month of April 2019 the municipality again conducted budget consultative meetings where the draft budget was presented to communities so that they can voice out their comments and other stakeholders.

Management within local government has a significant role to play in strengthening the link between the citizen and government's overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within Umhlabuyalingana Municipality. Budgeting is primarily about the choice that the municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

The application of sound financial management principles for the compilation of Umhlabuyalingana financial plan is essential and critical to ensure that the municipality remains financial viable and that sustainable municipal services are provided economically and equitably to all communities.

With the limited financial resources the municipality have, it has reserved R203 706 for operational expenditure and R67 378 for capital expenditure and R271 084 as total revenue in 2019/2020 financial year. In 2020/2021 the municipality has also reserved R224 155 for operational expenditure and R57 289 for capital expenditure and R281 444 as total revenue. In 2021/2022 the municipality has reserved R241 603 for operational expenditure and R58 000 for capital expenditure as well as R299 603 as total revenue.

### Conclusion

In closing I would like to take this opportunity to thank the honorable councilors for owning this process since August when we adopted this process, and participating in all IDP review consultative meetings and all IDP and budget road shows we had in this financial year until this day when we are adopting this final budget for 2019/2020 financial year. I would like to also thank the Finance Portfolio Committee, Municipal

Manager, CFO , all HOD's, finance team and all other municipal officials for their contribution in ensuring that the budget is compiled and finalized within the prescribed timeframe.

Thank you

Mayor, Councilor N.S Mthethwa

## 1.2 Council Resolutions

On the 30th of May 2019 the council of Umhlabuyalingana Local Municipality met in its Council Chambers to consider approving the 2019/2020 final annual budget of the municipality. The Council approved and adopted the following resolutions:

1. The Council of Umhlabuyalingana Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, approves and adopts:
  - 1.1 The draft annual budget of the municipality for the financial year 2019/2020 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1 Budgeted Financial Performance (revenue and expenditure by standard classification)
    - 1.1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote)
    - 1.1.3 Budgeted financial Performance (revenue by source and expenditure by type)
    - 1.1.4 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source
  - 1.2 The financial position, cash flow budget, cash backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - 1.2.1 Budgeted Financial Position
    - 1.2.2 Budgeted Cash Flow
    - 1.2.3 Cash backed reserves and accumulated surplus reconciliation
    - 1.2.4 Asset management
    - 1.2.5 Basic service delivery measurement

Attached as annexure A in the budget document

### 1.3 Executive Summary

Legislation stipulates clearly that a municipality must not only give effect to its IDP but must also conduct its affairs in a manner which is consistent with its IDP. This include the compilation of Medium –term Revenue and Expenditure Framework

The municipality's Growth and Development Strategy and Infrastructure Development Plan are its strategic planning instrument which directly guide and inform its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation, which directly informs the Service Delivery and Budget Implementation Plan

The compilation of the MTREF remains a huge challenge to balance the budget between the limited revenue resources available and the immense need to provide quality service delivery to our community. Tariff increases must be limited to be within the affordability levels of our community and must still promote economic growth to ensure financial sustainability. Council on the other hand must address the huge demand to improve the standard of service delivery and to do more with less funds available.

The MTREF used the guidelines set by the minister of finance in his Medium-term Budget Policy statement speech as well as the guidelines in terms of Circular 94 dated 8 March 2019 as issued by National Treasury.

The Consumer Price Inflation as set out in Circular 94 issued in 8 March 2019 is set out at 5.2%

Municipal tariffs were revised and new tariffs were set for property rates as a new General Valuation Roll has been issued that will be implemented in on the 1<sup>st</sup> of July 2019.

Refuse removal tariffs were also revised but not adjusted as the municipality still have a challenge in the roll out of the refuse removal service to other consumers. Previously refuse collection was only done to Manguzi Hospital, Mseleni Hospital and Ithala Business Centre but now refuse is collected from 59 properties around Manguzi Town, Mbazwane Town, Skhemelele area and Mseleni area. Management decided that it will not increase the tariff for the collection of refuse in this financial year because they are not confident about the service standard they are rendering to its customers and the community at large.

Property rental tariffs were also reviewed but not increased because management also felt that these community facilities are not in the satisfactory standard. Management will have to improve the conditions of these facilities so that they will be confident in charging whatever tariff they will agree upon in future.

The financial sustainability of the 2019/2020 MTREF is largely dependent on the collection level of billed income. Provision is made for a collection rate of 67%. To achieve this collection rate and more the municipality will have to implement more robust credit control measures.

In terms of Council's social commitment to assist the communities in Umhlabuyalingana provision has been made for a free basic electricity to registered Indigents in Umhlabuyalingana Indigent Register The total amount budgeted for free basic electricity to our community amounts to R547 040

The MTREF for the 2019/2020 multi-year budget with comparative information is as follows:



Table 1 Budget Summary

Description	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Municipal revenue</b>							
Operating grants	155,279,000.00	156,996,000.00	156,996,000.00	156,996,000.00	174,495,000.00	183,726,000.00	198,433,000.00
Capital grants	52,265,000.00	62,265,000.00	62,265,000.00	62,265,000.00	63,918,000.00	58,013,000.00	59,321,000.00
Own income	27270673.38	38717423.38	38717423.38	38717505	35,659,706.38	37,585,287.38	39,614,839.38
Interest income	3010967	2010967	2010967	2010967	2,010,967.00	2,119,559.00	2,234,016.00
<b>Sub-total (a)</b>	<b>237,825,640.38</b>	<b>259,989,390.38</b>	<b>259,989,390.38</b>	<b>259,989,472.00</b>	<b>276,083,673.38</b>	<b>281,443,846.38</b>	<b>299,602,855.38</b>
<b>Operating expenditure</b>							
Employee related costs	66,693,547.00	75,980,015.30	75,980,015.30	75,980,015.30	89,314,426.00	94,137,408.00	99,220,831.00
Councillors remuneration	15,078,821.00	12,891,119.00	12,891,119.00	12,891,119.00	13,455,753.00	14,182,362.00	14,948,209.00
Depreciation	24,928,572.00	25,778,357.14	25,778,357.14	25,778,357.14	25,626,820.38	23,020,710.68	24,264,467.00
Debt impairment	10,311,009.00	12,111,009.00	12,111,009.00	12,111,009.00	11,400,000.00	15,753,238.00	19,866,543.00
Operational expenses	67,484,657.00	92,973,368.60	92,973,368.60	93,233,368.60	63,908,757.62	77,061,209.32	83,302,887.00
<b>Sub-total (b)</b>	<b>184,496,606.00</b>	<b>219,733,869.04</b>	<b>219,733,869.04</b>	<b>219,993,869.04</b>	<b>203,705,757.00</b>	<b>224,154,928.00</b>	<b>241,602,937.00</b>
<b>Capital expenditure</b>							
Municipal roads	20,700,000.00	23,130,329.00	23,130,329.00	23,130,329.00	21,918,000.00	28,000,000.00	16,500,000.00
Community halls	13,079,117.00	15,518,269.00	15,518,269.00	15,518,269.00	12,000,000.00	8,000,000.00	5,000,000.00
Sportsfields	-	53,843.00	53,843.00	53,843.00	-	-	16,500,000.00
Electrification	18,000,000.00	-	-	-	24,000,000.00	21,289,000.00	20,000,000.00
Other assets	1,064,117.00	1,898,422.00	1,898,422.00	1,898,422.00	9,460,000.00	-	-
<b>Sub-total (c)</b>	<b>52,843,234.00</b>	<b>40,600,863.00</b>	<b>40,600,863.00</b>	<b>40,600,863.00</b>	<b>67,378,000.00</b>	<b>57,289,000.00</b>	<b>58,000,000.00</b>

Table 2 Consolidated Overview of the 2018/2019 MTREF

	Adjusted budget 2018/2019	MTREF		
		2019/2020	2020/2021	2021/2022
Total revenue	259,989,472.00	276,083,673.38	281,443,846.38	299,602,855.38
Total operating expenditure	219,993,869.04	203,705,757.00	224,154,928.00	241,602,937.00
Total capital expenditure	40,600,863.00	67,378,000.00	57,289,000.00	58,000,000.00

Total operating revenue has increased by 6% or R14 442 for the 2019/2020 financial year when compared to the 2018/2019 budget. For the two outer years, operational revenue increased by 5% or R11 265 and 7% or R16 851

Total operating expenditure has decreased by 7% or R16 288 for the 2019/2020 financial year when compared to the 2018/2019 budget. For the two outer years operational expenditure has increased by 10% or R20 449 and 7% or R17 448. The decrease in 2019/2020 is a result of moving electrification projects from operational expenditure to capital expenditure in 2019/2020.

Total capital expenditure has increased by 66% or R26 777 in 2019/2020 financial year. The increase in capital expenditure is a result of the electrification projects that were previously reported under operational costs and now moved to capital projects. In 2019/2020 financial year the municipality has received R5 000 from COGTA for massification programme for the electrification of 150 households.

## 1.4 Operating Revenue Framework

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Efficient revenue management, which aims to ensure a 67% annual collection rate for property rates and other key service charges;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004;
- The municipality's indigent policy and rendering of free basic services; and
- Tariff policies of the municipality.

The following table is a summary of the 2019/2020 MTREF (classified by main revenue source)

**Table 3 Summary of revenue classified by main revenue source**

KZN271 Umhlabuyalingana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
Revenue By Source											
Property rates	2	17,184	19,118	19,830	19,517	19,517	19,517	19,517	26,978	28,435	29,970
Service charges - electricity revenue	2	(0)	(0)	(0)	(0)	(0)	(0)	–	(0)	(0)	(0)
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	202	202	283	671	671	671	671	655	690	728
Rental of facilities and equipment		252	254	303	523	413	413	413	413	436	459
Interest earned - external investments		6,959	5,121	3,273	2,290	1,290	1,290	1,290	1,290	1,360	1,433
Interest earned - outstanding debtors		747	895	1,268	721	721	721	721	721	760	801
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		2,077	1,710	1,606	1,824	1,826	1,826	1,826	1,168	1,213	1,279
Licences and permits		3,798	3,707	3,882	2,830	2,840	2,840	2,840	3,592	3,786	3,990
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		133,361	133,777	142,522	155,279	156,996	156,996	156,996	174,495	183,726	198,433
Other revenue	2	395	406	543	1,906	13,002	13,002	13,002	2,853	3,025	3,189
Gains on disposal of PPE		–	–	462	–	448	448	448	–	–	–
Total Revenue (excluding capital transfers and contributions)		164,975	165,189	173,973	185,561	197,724	197,724	197,724	212,166	223,431	240,282

Revenue generated from property rates contributes 13% (in 2019/2020) of the total revenue basket for the municipality.

Revenue generated from refuse removal, rental income and interest from outstanding debtors contributes less than 1% of the total revenue basket.

Revenue generated from interest on investments, fines and other revenue contributes 3% of the total revenue.

Revenue generated from licences and permits contributes 2% of the total revenue.

Operating grants contributes R174 495 or 82% of the total income budget in the 2019/2020 financial year. The following table gives a breakdown of both operating grants and capital grants allocated to the municipality over a medium term

Table 4 Operating Transfers and Grant receipts

KZN271 Umhlabuyalingana - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
National Government:		124,232	125,223	139,913	168,623	172,623	172,623	190,440	202,304	215,559
Local Government Equitable Share		121,138	121,121	133,848	145,676	145,676	145,676	166,017	179,115	193,659
Finance Management		1,800	1,825	1,900	1,900	1,900	1,900	1,900	1,900	1,900
EPWP Incentive		1,294	2,277	4,165	3,047	3,047	3,047	3,523	-	-
Integrated National Electrification Programme		-	-	-	18,000	22,000	22,000	19,000	21,289	20,000
Other transfers/grants [insert description]										
Provincial Government:		1,476	3,550	1,657	4,656	6,373	4,373	3,055	2,711	2,874
		1,476	3,550	1,657	1,676	1,676	1,676	2,249	1,848	1,950
					1,722	197	197	806	863	924
					1,200	2,450	2,450			
					58	50	50			
						2,000				
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	125,708	128,773	141,570	173,279	178,996	176,996	193,495	205,015	218,433
<b>Capital Transfers and Grants</b>										
National Government:		33,827	36,825	35,481	34,265	34,265	34,265	34,918	36,419	36,724
Municipal Infrastructure Grant (MIG)		33,827	36,825	35,481	34,265	34,265	34,265	34,918	36,419	36,724
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	6,000	6,000	5,000	-	-
Small Town Rehabilitation Grant						6,000	6,000			
Massification Grant								5,000		
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	33,827	36,825	35,481	34,265	40,265	40,265	39,918	36,419	36,724
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		159,535	165,598	177,051	207,544	219,261	217,261	233,413	241,434	255,157

#### 1.4.1 Property Rates

The following factors were taken into consideration in the determination of proposed rates:

- Operational and capital funding requirements
- Market values of properties as published in the general valuation roll including supplementary valuation rolls published after the implementation date;
- Anticipated property development and growth in supplementary property values.

Property rates tariffs were revised and adjusted in the 2019/2020 financial year hence there is a 27% increase in expected collection on property rates when compared with 2018/2019 financial year. Property values were also increased in the new General Valuation Roll that will be implemented in July 2019 which also gave effect to the increase in expected collection of property rates. The municipality has received 12 objections in terms of Section 50 of the MPRA. 11 notification of outcome of objections from the valuer have been received.

#### 1.4.2 Waste Removal service

Waste removal tariffs were reviewed but not adjusted in 2019/2020 financial year. Waste collection billing is currently done to Manguzi Hospital, Mseleni Hospital, Ithala Business Centre and 16 new customers that signed their contract in the 2018/2019 financial year. Assumption is that we will collect 67% of the billed revenue for refuse removal since there are new customers who are not paying frequently.

Community services department is facilitating the process of signing new agreement with other customers and handing them over to finance for billing purposes.

Currently waste removal is done at a deficit because the operational costs for rendering this service is more than the revenue being generated and collected due to the number of properties being serviced and billed. The service is being rendered to 376 properties as per the information received from Community Services under Waste Management Unit. The rest of the properties are not billed because there are no signed agreements between them and the municipality. Management decided not to increase the tariff because the service level standard is not satisfactory at the moment.

#### 1.4.3 Rental of properties and facilities

The tariff for the rental of properties and facilities was reviewed but not increased or adjusted in 2019/2020 financial year. The reason for not adjusting this tariff is because management assessed the service standard level and resolved that it will not be adjusted because the services being rendered is not satisfactory as well as that there are unfinished processes of renovations and maintenance of the market stalls that were promised by the municipality to its tenants, hence the municipality resolved not to increase this tariff.

#### 1.4.4 Interest on investments

Revenue to be generated from interest on investments or short term deposits is R1 290. The municipality is planning on investing or depositing grant funds to these short term deposits account that can be withdrawn within 14 to 30 days notice. The total value of grants to be received by the municipality is R233 413 and the municipality planned to invest only 20% of the total value of grants to be received in 2019/2020 with the assumption that the interest rates will not be more than 3%.

#### 1.4.5 Interest on outstanding debtors

Revenue to be generated from raising interest on outstanding debtors accounts on property rates accounts. It is not adjusted or increased in this financial year because of the possible write off on property rates debts for Ingonyama Trust debtors. The municipality is planning to generate interest amounting to R720 904 from outstanding debtors. In November 2018 council took a resolution to write off 60% of their debts and to waive interest from December 2018 till May 2019 to business and commercial property rates debtors accounts with the intention of encouraging them to pay for their accounts by giving them this incentive.

#### 1.4.6 Fines and penalties

Revenue to be generated from traffic fines and penalties on late returns of library books is estimated to be R1 151 060. The municipality is estimating that it will collect 67% of that raised traffic fines in the 2019/2020 financial year. The decrease in traffic fines revenue is because there are few traffic offices we have now since other officers were transferred to the licensing unit as there is a huge demand on licensing services to assist the licensing unit. There are 10 vacant positions for trainee traffic officers planned as per the municipal organogram but the municipality does not have a budget to fill in those proposed vacancies. Another factor that contributed to the decrease in traffic fines is that there is only 1 speed timing camera or machinery we have that is working which also limits the number of officers to operate this camera at a time.

#### 1.4.7 Licences and permits

Revenue to be generated from licenses and permits includes motor vehicle renewal licenses, learners licences applications, motor vehicle registrations and business licensing. Tariffs and rates for motor vehicle licenses are not regulated by the municipality but by the Department of Transport because this service is not a function of the municipality but of Department of Transport. The 26% increase is a result of the demand the these services being rendered by the municipality hence the management decided to move other traffic officers to licensing unit in order to meet the demand. There are two proposed vacancies in the organogram to in order to try and meet the demands in licensing unit but there is no budget to fill those vacancies at the moment.

## 1.5 Operating Expenditure Framework

The municipality's expenditure framework for the 2019/2020 budget and MTREF is informed by the following:

- The asset renewal and the repairs and maintenance requirements;
- Balanced budget constraint (operating expenditure should not exceed operating revenue)
- Funding of the budget over the medium-term, as informed by Section 18 and 19 of the MFMA
- Capital programme is aligned to the asset renewal needs and backlog eradication goals
- The prioritization of capital needs is based on the Capital Investment Framework

**Table 5 Summary of operating expenditure by standard classification item**

KZN271 Umhlabuyalingana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Expenditure By Type</b>												
Employee related costs	2		37,484	46,864	58,302	66,694	75,980	75,980	75,980	89,314	94,137	99,221
Remuneration of councillors			9,502	10,386	12,161	15,079	12,891	12,891	12,891	13,456	14,182	14,948
Debt impairment	3		8,564	3,152	8,016	10,311	12,111	12,111	12,111	11,400	15,753	19,867
Depreciation & asset impairment	2		18,184	21,177	24,474	24,929	25,778	25,778	25,778	25,627	23,021	24,264
Finance charges			825	878	955	-	105	105	105	105	111	117
Bulk purchases	2		-	-	-	-	-	-	-	-	-	-
Other materials	8		1,108	2,603	2,246	606	1,538	1,538	1,538	1,768	1,863	1,964
Contracted services			25,237	49,887	33,934	28,761	52,292	52,292	52,292	26,183	37,222	41,301
Transfers and subsidies			-	21,852	3,007	6,117	1,007	1,007	1,007	1,700	1,433	1,511
Other expenditure	4, 5		75,731	43,342	33,295	32,000	38,031	38,031	38,291	34,153	36,432	38,410
Loss on disposal of PPE			64	123	-	-	-	-	-	-	-	-
Total Expenditure			176,698	200,265	176,388	184,497	219,734	219,734	219,994	203,706	224,155	241,603
Surplus/(Deficit)			(11,723)	(35,075)	(2,416)	1,064	(22,009)	(22,009)	(22,269)	8,460	(724)	(1,321)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			33,925	36,825	35,481	52,265	62,265	62,265	62,265	39,918	36,724	39,321
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Transfers and subsidies - capital (in-kind - all)	6		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			22,202	1,750	33,065	53,329	40,256	40,256	39,996	48,378	36,000	38,000
Taxation												
Surplus/(Deficit) after taxation			22,202	1,750	33,065	53,329	40,256	40,256	39,996	48,378	36,000	38,000
Attributable to minorities												
Surplus/(Deficit) attributable to municipality			22,202	1,750	33,065	53,329	40,256	40,256	39,996	48,378	36,000	38,000
Share of surplus/ (deficit) of associate	7											
Surplus/(Deficit) for the year			22,202	1,750	33,065	53,329	40,256	40,256	39,996	48,378	36,000	38,000

The budget allocation for employee related costs and remuneration of Councilors for the 2019/2020 financial year totals R89 314, which represents 50% of the total operating expenditure. Employee related costs increased by R13 334 which includes 6.5% general salary increase for all staff members and 10% increase for Senior Managers. A provision of 5.5% for adjustment of salaries when implementing new grading of the municipality has been made which is the reason why employee related cost have increased so much. There are only 7 vacant positions included in the 2019/2020 salaries budget which includes 6 positions for general workers who will be appointed on permanent basis and 1 position for the Deputy Director position. Other position were already budget in 2018/2019 but not yet filled in.

Councillors remuneration increased by R565 The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act,. Currently the municipality has a Mayor, Speaker and Deputy Mayor who are full time in the office.

The provision of debt impairment was determined based on an annual collection rate of 67% and the principles as set out in the Provision of Doubtful Debt and Debt Write-off Policy. For the 2019/2020 financial year this amount equates to R11 million because of the possible debt write off in the next financial year of Ingonyama Trust debtors.

Provision for depreciation and asset impairment has been informed by the municipality's Asset Management Policy. Budget appropriations in this regard total R25 627 in the 2019/2020 financial year and the assumption that not all capital projects will be completed in this financial year. Technical services has done the assessment and indicated that 3 projects will not be completed this financial year which are Manguzi Multi purpose center, IYK access road and Library to Post office access road. IYK access road was started late with the construction , Library to Post office has a challenge that it was discovered that underneath the road surface there is water and they need to budget for the remedial actions to be able to complete this road. Manguzi multipurpose center the contractor failed to complete this project.

#### 1.5.1 Repairs and maintenance

Repairs and maintenance comprise of, amongst others, the purchase of materials for maintenance, and appointment of contractors to perform maintenance work. The budget appropriation for 2019/2020 against repairs and maintenance is R5 561 which represents 2,% of the total operating expenditure. It is below the norm of 8% but due to the affordability of the municipality it will remain below the norm

Aligned to the priority given to preserving and maintaining the municipality's current infrastructure the 2019/2020 budget and MTREF provide for growth in the area of asset maintenance as informed by the asset renewal and repairs and maintenance requirements of the municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered as direct expenditure driver but an outcome of certain other expenditures such as remuneration, purchase of, materials and contracted services. The following table is extracted from Table SA1 to reflect the amount provided for repairs and maintenance in context with the amount provided for PPE, depreciation and the renewal of assets.

Table 6 Operational repairs and maintenance

KZN271 Umhlabuyalingana - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
Repairs and Maintenance	8										
Employee related costs					338	338	338	338	292	309	328
Other materials		1,108	32	227	606	58	58	58	912	962	1,013
Contracted Services		25,237	11,253	4,095	4,046	4,654	4,654	4,654	3,357	3,537	3,726
Other Expenditure											
Total Repairs and Maintenance Expenditure	9	26,345	11,285	4,322	4,990	5,049	5,049	5,049	4,561	4,808	5,067

The table below provides a breakdown of repairs and maintenance in relation to asset class as summarized from SA34c



Table 7 Consolidated repairs and maintenance by asset class

KZN271 Umhlabuyalingana - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		16,877	6,834	1,134	1,600	1,600	1,600	1,600	1,686	1,777
Roads Infrastructure		16,551	6,609	1,050	1,600	1,600	1,600	1,600	1,686	1,777
Roads		16,551	6,609	936	1,600	1,600	1,600	1,600	1,686	1,777
Road Structures				114						
Road Furniture										
Capital Spares										
Storm water Infrastructure		284	207	–	–	–	–	–	–	–
Drainage Collection		284	207							
Water Supply Infrastructure		–	–	52	–	–	–	–	–	–
Dams and Weirs										
Boreholes				52						
Reservoirs										
Sanitation Infrastructure		41	18	32	–	–	–	–	–	–
Pump Station										
Reticulation		41	18	32						
Community Assets		654	1,232	314	661	661	661	200	211	222
Community Facilities		654	1,232	314	661	661	661	200	211	222
Halls					526	526	526			
Libraries			–	–	135	135	135	200	211	222
Cemeteries/Crematoria										
Public Open Space		654	1,232	314						
Nature Reserves										
Other assets		3,846	1,505	509	700	421	421	450	474	500
Operational Buildings		3,846	1,505	509	700	421	421	450	474	500
Municipal Offices		3,846	1,505	509	700	421	421	450	474	500
Pay/Enquiry Points										

<u>Intangible Assets</u>		-	55	-	-	-	-	-	-	
Servitudes										
Licences and Rights		-	55	-	-	-	-	-	-	
<i>Water Rights</i>										
<i>Effluent Licenses</i>										
<i>Solid Waste Licenses</i>										
<i>Computer Software and Applications</i>			55							
<i>Load Settlement Software Applications</i>										
<i>Unspecified</i>										
<u>Computer Equipment</u>		381	163	67	81	81	81	81	86	90
Computer Equipment		381	163	67	81	81	81	81	86	90
<u>Furniture and Office Equipment</u>		9	4	-	-	-	-	-	-	-
Furniture and Office Equipment		9	4							
<u>Machinery and Equipment</u>		1,151	26	59	348	348	348	430	453	478
Machinery and Equipment		1,151	26	59	348	348	348	430	453	478
<u>Transport Assets</u>		3,428	1,467	2,240	1,600	1,600	1,600	1,800	1,897	2,000
Transport Assets		3,428	1,467	2,240	1,600	1,600	1,600	1,800	1,897	2,000
<u>Land</u>		-	-	-	-	-	-	-	-	-
Land										
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Repairs and Maintenance Expenditure	1	26,345	11,285	4,322	4,990	4,712	4,712	4,561	4,808	5,067

The amount budgeted for repairs and maintenance in the 2019/2020 financial year represents 2% of the value of Property Plant and Equipment according to A6 financial position

### 1.5.2 Free Basic Services: Basic Social Services Package

The municipality provides free basic electricity through Eskom Electricity distribution to its indigent residents after they have applied for that benefit from the municipality. Free basic electricity budget provision is R547 040 for 518 people who have been approved to benefit from this provision in 2019/2020 financial year. Indigent register is not yet complete this number might change before the final budget is adopted.

The municipality also provides Property Rates Rebates to business and commercial property rates customers rebate amounts to R5 8000 000 in 2019/2020 financial year

## 1.6 Capital expenditure

Capital budget will be funded as follows:

- Municipal Infrastructure Grant – Allocations as per the 2019 Division of Revenue Act to fund road infrastructure projects, Community Assets
- Integrated National Electrification Program me - Allocation as per the 2019 Division of Revenue Act to fund the implementation of Electrification projects within Umhlabyalingana
- Cash generated from revenue – to fund movable assets and other assets

The capital program me is aligned to asset renewal needs and backlog eradication goals.

Projects were subjected to project prioritization based on capital prioritization as informed by the capital investment framework.

The following table provides a breakdown of budgeted capital expenditure by vote:

**Table 8 Capital budget per vote, function and classification**

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMIN		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 6 - WATER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 7 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-
Vote 8 - OTHER		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMIN		322	146	1,001	350	350	350	350	1,360	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES		4,767	4,922	13,962	13,079	15,518	15,518	15,518	12,000	8,000	5,000
Vote 5 - PLANNING AND DEVELOPMENT		64,947	48,295	24,454	39,400	24,233	24,233	24,233	53,418	49,289	53,000
Vote 6 - WATER MANAGEMENT		157	-	-	300	200	200	200	600	-	-
Vote 7 - PUBLIC SAFETY		-	-	-	200	200	200	200	-	-	-
Vote 8 - OTHER		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		70,192	53,363	39,418	53,329	40,501	40,501	40,501	67,378	57,289	58,000
Total Capital Expenditure - Vote		70,192	53,363	39,418	53,329	40,501	40,501	40,501	67,378	57,289	58,000
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		322	146	1,001	350	350	350	350	1,360	-	-
Executive and council											
Finance and administration		322	146	1,001	350	350	350	350	1,360	-	-
Internal audit											
<b>Community and public safety</b>		4,767	4,922	13,962	13,279	15,772	15,772	15,772	12,000	8,000	21,500
Community and social services		4,767	4,922	13,962	13,079	15,518	15,518	15,518	12,000	8,000	5,000
Sport and recreation		-	-	-	-	54	54	54	-	-	16,500
Public safety		-	-	-	200	200	200	200	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		64,947	48,295	24,454	21,400	24,179	24,179	24,179	29,418	28,000	16,500
Planning and development		64,947	4,204	3,751	700	1,048	1,048	1,048	7,500	-	-
Road transport		-	44,091	20,704	20,700	23,130	23,130	23,130	21,918	28,000	16,500
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		157	-	-	18,300	200	200	200	24,600	21,289	20,000
Energy sources		-	-	-	18,000	-	-	-	24,000	21,289	20,000
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		157	-	-	300	200	200	200	600	-	-
Other		-	-	-	-	100	100	100	-	-	-
Total Capital Expenditure - Functional	3	70,192	53,363	39,418	53,329	40,601	40,601	40,601	67,378	57,289	58,000
<b>Funded by:</b>											
National Government		33,925	36,825	35,481	52,265	32,702	32,702	32,702	52,918	57,289	58,000
Provincial Government		-	-	-	-	6,000	6,000	6,000	5,000	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	33,925	36,825	35,481	52,265	38,702	38,702	38,702	57,918	57,289	58,000
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		36,268	16,538	3,937	1,064	1,898	1,898	1,898	9,460	-	-
Total Capital Funding	7	70,192	53,363	39,418	53,329	40,601	40,601	40,601	67,378	57,289	58,000

## 1.7 Annual Budget Tables

The following pages in this section presents the main 10 budget tables as required in terms of Section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2019/2020 budget and MTREF as approved by Council.

Attached to budget document as annexure B

**Table 9 MBRR Table A1 – Budget Summary**

**KZN271 Umhlabuyalingana - Table A1 Budget Summary**

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Financial Performance</b>										
Property rates	17,184	19,118	19,830	19,517	19,517	19,517	19,517	26,978	28,435	29,970
Service charges	202	202	283	671	671	671	671	655	690	727
Investment revenue	6,959	5,121	3,273	2,290	1,290	1,290	1,290	1,290	1,360	1,433
Transfers recognised - operational	133,361	133,777	142,522	155,279	156,996	156,996	156,996	174,495	183,726	198,433
Other own revenue	7,269	6,971	8,065	7,804	19,251	19,251	19,251	8,748	9,220	9,718
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>164,975</b>	<b>165,189</b>	<b>173,973</b>	<b>185,561</b>	<b>197,724</b>	<b>197,724</b>	<b>197,724</b>	<b>212,166</b>	<b>223,431</b>	<b>240,282</b>
Employee costs	37,484	46,864	58,302	66,694	75,980	75,980	75,980	89,314	94,137	99,221
Remuneration of councillors	9,502	10,386	12,161	15,079	12,891	12,891	12,891	13,456	14,182	14,948
Depreciation & asset impairment	18,184	21,177	24,474	24,929	25,778	25,778	25,778	25,627	23,021	24,264
Finance charges	825	878	955	–	105	105	105	105	111	117
Materials and bulk purchases	1,108	2,603	2,246	606	1,538	1,538	1,538	1,768	1,863	1,964
Transfers and grants	–	21,852	3,007	6,117	1,007	1,007	1,007	1,700	1,433	1,511
Other expenditure	109,595	96,504	75,244	71,073	102,434	102,434	102,694	71,736	89,407	99,578
<b>Total Expenditure</b>	<b>176,698</b>	<b>200,265</b>	<b>176,388</b>	<b>184,497</b>	<b>219,734</b>	<b>219,734</b>	<b>219,994</b>	<b>203,706</b>	<b>224,155</b>	<b>241,603</b>
<b>Surplus/(Deficit)</b>	<b>(11,723)</b>	<b>(35,075)</b>	<b>(2,416)</b>	<b>1,064</b>	<b>(22,009)</b>	<b>(22,009)</b>	<b>(22,269)</b>	<b>8,460</b>	<b>(724)</b>	<b>(1,321)</b>
Transfers and subsidies - capital (monetary allocation)	33,925	36,825	35,481	52,265	62,265	62,265	62,265	39,918	36,724	39,321
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>22,202</b>	<b>1,750</b>	<b>33,065</b>	<b>53,329</b>	<b>40,256</b>	<b>40,256</b>	<b>39,996</b>	<b>48,378</b>	<b>36,000</b>	<b>38,000</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>22,202</b>	<b>1,750</b>	<b>33,065</b>	<b>53,329</b>	<b>40,256</b>	<b>40,256</b>	<b>39,996</b>	<b>48,378</b>	<b>36,000</b>	<b>38,000</b>
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	70,192	53,363	39,418	53,329	40,601	40,601	40,601	67,378	57,289	58,000
Transfers recognised - capital	33,925	36,825	35,481	52,265	38,702	38,702	38,702	57,918	57,289	58,000
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	36,268	16,538	3,937	1,064	1,898	1,898	1,898	9,460	–	–
<b>Total sources of capital funds</b>	<b>70,192</b>	<b>53,363</b>	<b>39,418</b>	<b>53,329</b>	<b>40,601</b>	<b>40,601</b>	<b>40,601</b>	<b>67,378</b>	<b>57,289</b>	<b>58,000</b>
<b>Financial position</b>										
Total current assets	72,326	32,783	47,706	76,767	83,531	83,531	83,531	112,852	141,782	176,592
Total non current assets	247,679	275,389	289,628	250,015	318,842	318,842	318,842	327,623	343,423	355,123
Total current liabilities	19,288	25,365	20,482	10,940	2,076	2,076	2,076	71,168	66,500	68,071
Total non current liabilities	11,421	12,935	14,042	22,517	14,042	14,042	14,042	5,040	5,724	6,033
Community wealth/Equity	289,296	269,871	302,810	293,325	386,255	386,255	386,255	364,268	412,982	457,612
<b>Cash flows</b>										
Net cash from (used) operating	54,563	30,388	54,662	81,485	57,445	57,445	57,445	94,228	84,354	90,844
Net cash from (used) investing	(70,002)	(74,316)	(38,294)	(53,329)	(40,601)	(40,601)	(40,601)	(67,378)	(57,289)	(58,000)
Net cash from (used) financing	(26)	–	–	–	–	–	–	–	–	–
<b>Cash/cash equivalents at the year end</b>	<b>62,188</b>	<b>18,261</b>	<b>34,628</b>	<b>55,101</b>	<b>51,473</b>	<b>51,473</b>	<b>51,473</b>	<b>78,323</b>	<b>105,388</b>	<b>138,232</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	62,188	18,261	34,628	55,101	51,473	51,473	51,473	78,323	105,388	138,232
Application of cash and investments	13,002	13,532	2,255	(4,525)	(11,720)	(11,720)	(11,720)	47,728	42,697	42,013
<b>Balance - surplus (shortfall)</b>	<b>49,186</b>	<b>4,729</b>	<b>32,374</b>	<b>59,626</b>	<b>63,193</b>	<b>63,193</b>	<b>63,193</b>	<b>30,595</b>	<b>62,691</b>	<b>96,220</b>
<b>Asset management</b>										
Asset register summary (WDV)	247,679	275,389	289,628	250,015	318,842	318,842	318,842	327,623	343,423	355,123
Depreciation	18,184	21,177	24,474	24,929	25,778	25,778	25,778	25,627	23,021	24,264
Renewal and Upgrading of Existing Assets	–	–	–	–	–	–	–	–	–	–
Repairs and Maintenance	26,345	11,285	4,322	4,990	4,712	4,712	4,712	4,561	4,808	5,067
<b>Free services</b>										
Cost of Free Basic Services provided	0	0	0	0	0	0	0	0	0	0
Revenue cost of free services provided	4,268	4,766	5,867	4,385	4,385	4,385	5,800	5,800	6,113	6,443
<b>Households below minimum service level</b>										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

- Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow and MFMA funding compliance).
- The table provides an overview of the amounts approved by Council from operating performance and resources deployed to capital expenditure, financial position, cash and funding compliance and the municipality's commitment to eliminating basic service delivery backlogs.
- Financial management reforms emphasizes the importance of funding for the municipal budget. This requires the simultaneous assessment of the financial performance, financial position and cash flow budgets, along with the Capital Budget. The budget summary provides the key information in this regard:
  - (a) The operating surplus/deficit (after total expenditure) is positive over the MTREF
  - (b) Capital expenditure is balanced by capital funding sources of which:
    - (i) Transfers recognized are reflected on the Financial Performance Budget.
    - (ii) Internally generated funds are financed from current operating surplus

**Table 10 MBRR Table A2 – Budget Financial Performance (revenue and expenditure by standard classification)**

KZN271 Umhlabuyalingana - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		149,384	148,669	161,084	171,922	182,965	182,965	204,915	215,712	232,130
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		149,384	148,669	161,084	171,922	182,965	182,965	204,915	215,712	232,130
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1,770	1,663	1,778	3,662	1,885	1,885	3,097	2,724	2,887
Community and social services		1,770	1,663	1,778	3,662	1,885	1,885	3,067	2,724	2,887
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	30	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		47,544	51,481	46,309	61,571	74,468	74,468	43,416	63,078	64,659
Planning and development		41,669	46,064	40,764	56,917	69,812	69,812	3,748	58,039	59,349
Road transport		5,875	5,417	5,545	4,654	4,656	4,656	39,668	5,038	5,310
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		202	202	283	671	671	671	655	690	728
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		202	202	283	671	671	671	655	690	728
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>198,900</b>	<b>202,015</b>	<b>209,454</b>	<b>237,826</b>	<b>259,989</b>	<b>259,989</b>	<b>252,084</b>	<b>282,204</b>	<b>300,404</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		104,439	116,554	105,948	108,107	114,457	114,457	118,636	127,548	140,209
Executive and council		53,468	69,338	35,009	31,856	34,139	34,139	33,804	38,496	41,837
Finance and administration		50,971	43,375	69,958	74,801	78,868	78,868	83,382	86,199	94,117
Internal audit		-	3,841	981	1,450	1,450	1,450	1,450	2,853	4,256
<i>Community and public safety</i>		24,957	41,672	33,522	31,225	34,811	34,811	35,931	37,354	39,371
Community and social services		24,957	41,672	33,522	31,225	34,811	34,811	35,931	37,354	39,371
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		46,620	41,237	36,153	44,064	67,666	67,666	46,839	79,510	80,935
Planning and development		38,617	32,970	24,701	31,064	54,350	54,350	29,670	61,414	61,862
Road transport		8,003	8,267	11,452	13,000	13,316	13,316	17,168	18,095	19,073
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		682	802	765	1,100	2,800	2,800	2,300	1,792	1,889
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		682	802	765	1,100	2,800	2,800	2,300	1,792	1,889
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>176,698</b>	<b>200,265</b>	<b>176,388</b>	<b>184,497</b>	<b>219,734</b>	<b>219,734</b>	<b>203,706</b>	<b>246,204</b>	<b>262,404</b>
<b>Surplus/(Deficit) for the year</b>		<b>22,202</b>	<b>1,750</b>	<b>33,065</b>	<b>53,329</b>	<b>40,256</b>	<b>40,256</b>	<b>48,378</b>	<b>36,000</b>	<b>38,000</b>

- Table A2 is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification.
- Total revenue in this table includes capital revenues (transfers recognized – capital) and so does not balance with the operating revenue shown on Table A4.



**Table 11 MBRR Table A3 Consolidated – Budgeted Financial Performance (revenue and expenditure by municipal vote)**

KZN271 Umhlabuyalingana - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Revenue by Vote	1									
Vote 1 - EXECUTIVE & COUNCIL		–	–	–	–	–	–	–	–	–
Vote 2 - FINANCE & ADMIN		149,384	148,574	160,983	171,902	182,890	182,890	204,915	215,712	232,130
Vote 3 - CORPORATE SERVICES		–	95	101	20	75	75	–	–	–
Vote 4 - COMMUNITY SERVICES		1,770	1,663	1,778	3,662	1,885	1,885	3,067	2,724	2,887
Vote 5 - PLANNING AND DEVELOPMENT		41,669	46,064	40,764	56,917	110,068	110,068	39,815	58,039	59,349
Vote 6 - WATER MANAGEMENT		202	202	283	671	671	671	655	690	728
Vote 7 - PUBLIC SAFETY		5,875	5,417	5,545	4,654	4,656	4,656	3,631	5,038	5,310
Vote 8 - OTHER		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	198,900	202,015	209,454	237,826	300,245	300,245	252,084	282,204	300,404
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE & COUNCIL		53,468	73,178	35,990	33,306	35,589	35,589	35,254	41,349	46,092
Vote 2 - FINANCE & ADMIN		37,906	25,867	44,480	55,409	60,235	60,235	60,380	61,955	68,564
Vote 3 - CORPORATE SERVICES		13,065	17,509	25,478	19,392	18,633	18,633	23,002	24,244	25,554
Vote 4 - COMMUNITY SERVICES		24,957	41,672	33,522	31,225	34,811	34,811	35,931	37,354	39,371
Vote 5 - PLANNING AND DEVELOPMENT		38,617	32,970	24,701	31,064	54,350	54,350	29,670	61,414	61,862
Vote 6 - WATER MANAGEMENT		682	802	765	1,100	2,800	2,800	2,300	1,792	1,889
Vote 7 - PUBLIC SAFETY		8,003	8,267	11,452	13,000	13,316	13,316	17,168	18,095	19,073
Vote 8 - OTHER		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	176,698	200,265	176,388	184,497	219,734	219,734	203,706	246,204	262,404
Surplus/(Deficit) for the year	2	22,202	1,750	33,065	53,329	80,511	80,511	48,378	36,000	38,000

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the municipality.

Table 12 MBRR Table A4 – Budgeted Financial Performance (revenue and expenditure)

KZN271 Umhlabuyalingana - Table A4 Budgeted Financial Performance (revenue and expenditure)

KZN271 Umhlabuyalingana - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source											
Property rates	2	17,184	19,118	19,830	19,517	19,517	19,517	19,517	26,978	28,435	29,970
Service charges - electricity revenue	2	(0)	(0)	(0)	(0)	(0)	(0)	–	(0)	(0)	(0)
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	202	202	283	671	671	671	671	655	690	728
Rental of facilities and equipment		252	254	303	523	413	413	413	413	436	459
Interest earned - external investments		6,959	5,121	3,273	2,290	1,290	1,290	1,290	1,290	1,360	1,433
Interest earned - outstanding debtors		747	895	1,268	721	721	721	721	721	760	801
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		2,077	1,710	1,606	1,824	1,826	1,826	1,826	1,168	1,213	1,279
Licences and permits		3,798	3,707	3,882	2,830	2,840	2,840	2,840	3,592	3,786	3,990
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		133,361	133,777	142,522	155,279	156,996	156,996	156,996	174,495	183,726	198,433
Other revenue	2	395	406	543	1,906	13,002	13,002	13,002	2,853	3,025	3,189
Gains on disposal of PPE		–	–	462	–	448	448	448	–	–	–
Total Revenue (excluding capital transfers and contributions)		164,975	165,189	173,973	185,561	197,724	197,724	197,724	212,166	223,431	240,282
Expenditure By Type											
Employee related costs	2	37,484	46,864	58,302	66,694	75,980	75,980	75,980	89,314	94,137	99,221
Remuneration of councillors		9,502	10,386	12,161	15,079	12,891	12,891	12,891	13,456	14,182	14,948
Debt impairment	3	8,564	3,152	8,016	10,311	12,111	12,111	12,111	11,400	15,753	19,867
Depreciation & asset impairment	2	18,184	21,177	24,474	24,929	25,778	25,778	25,778	25,627	23,021	24,264
Finance charges		825	878	955	–	105	105	105	105	111	117
Bulk purchases	2	–	–	–	–	–	–	–	–	–	–
Other materials	8	1,108	2,603	2,246	606	1,538	1,538	1,538	1,768	1,863	1,964
Contracted services		25,237	49,887	33,934	28,761	52,292	52,292	52,292	26,183	37,222	41,301
Transfers and subsidies		–	21,852	3,007	6,117	1,007	1,007	1,007	1,700	1,433	1,511
Other expenditure	4, 5	75,731	43,342	33,295	32,000	38,031	38,031	38,291	34,153	36,432	38,410
Loss on disposal of PPE		64	123	–	–	–	–	–	–	–	–
Total Expenditure		176,698	200,265	176,388	184,497	219,734	219,734	219,994	203,706	224,155	241,603
Surplus/(Deficit)		(11,723)	(35,075)	(2,416)	1,064	(22,009)	(22,009)	(22,269)	8,460	(724)	(1,321)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		33,925	36,825	35,481	52,265	62,265	62,265	62,265	39,918	36,724	39,321
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		22,202	1,750	33,065	53,329	40,256	40,256	39,996	48,378	36,000	38,000
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		22,202	1,750	33,065	53,329	40,256	40,256	39,996	48,378	36,000	38,000
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		22,202	1,750	33,065	53,329	40,256	40,256	39,996	48,378	36,000	38,000
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		22,202	1,750	33,065	53,329	40,256	40,256	39,996	48,378	36,000	38,000

- Revenue generated from property rates and service charges contributes 13% of the total revenue basket. In 2019/2020 revenue from property rates and service charges totaled R26 978 in the income budget. It has increased because of the increase in of property values in the General Valuation Roll to be implemented in July 2019. Tariffs also increased after they were reviewed and adopted by council.
- Interest from short term deposits/investments in 2019/20120 is totaled R1 290 this projection is based on that the grant funds will be invested to short term deposits accounts of the municipality with the intention of generation more revenue on interest received from investments.
- Other revenue in 2019/2020 will be 2 853 , this revenue includes revenue to be generated from interest from current accounts, sale of tender documents, income from photocopies and faxes from

the library services, income generated from the issue of rates clearance certificates, and income received from commissions or handling fees.

- Employee related costs in 2019/2020 will be R89 314 excluding councilors allowances. It has increased as a result of applying annual increase of 6.5% and 5.5% provision of the new municipal grading. There are 7 proposed vacancies in this financial year
- Councilors allowances increase to R13 456 as per the provision of the gazette for the remuneration of councilors.
- Debt impairment decreased to R11 400 when compared with the 2018/2019 adjustment figures. This provision is based on the possible debt write off on Ingonyama Trust debtors that might be implemented in the 2019/2020 financial year.
- Depreciation and asset impairment is estimated to be R25 627 in the 2019/2020 financial year when considering that the municipality will finish some of its project with the exception of 3 projects which are two roads and one community center, and start depreciating them.
- Contracted services decreased to R26 183 in 2019/2020 when compared to the 2018/2019 adjustment budget. The increase is a result of proper implementation of the Mscoa which re-classify each expenditure accordingly as well as moving
- General expenditure decreased to R34 153 when compared to 2018/2019 adjustment budget.

**Table 13 MBRR Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding source**

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
<b>Capital expenditure - Vote</b>											
<i>Multi-year expenditure to be appropriated</i>	2										
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMIN		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 6 - WATER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 7 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-
Vote 8 - OTHER		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
<i>Single-year expenditure to be appropriated</i>	2										
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMIN		322	146	1,001	350	350	350	350	1,360	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES		4,767	4,922	13,962	13,079	15,518	15,518	15,518	12,000	8,000	5,000
Vote 5 - PLANNING AND DEVELOPMENT		64,947	48,295	24,454	39,400	24,233	24,233	24,233	53,418	49,289	53,000
Vote 6 - WATER MANAGEMENT		157	-	-	300	200	200	200	600	-	-
Vote 7 - PUBLIC SAFETY		-	-	-	200	200	200	200	-	-	-
Vote 8 - OTHER		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		70,192	53,363	39,418	53,329	40,501	40,501	40,501	67,378	57,289	58,000
<b>Total Capital Expenditure - Vote</b>		70,192	53,363	39,418	53,329	40,501	40,501	40,501	67,378	57,289	58,000
<b>Capital Expenditure - Functional</b>											
<i>Governance and administration</i>		322	146	1,001	350	350	350	350	1,360	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		322	146	1,001	350	350	350	350	1,360	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		4,767	4,922	13,962	13,279	15,772	15,772	15,772	12,000	8,000	21,500
Community and social services		4,767	4,922	13,962	13,079	15,518	15,518	15,518	12,000	8,000	5,000
Sport and recreation		-	-	-	-	54	54	54	-	-	16,500
Public safety		-	-	-	200	200	200	200	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		64,947	48,295	24,454	21,400	24,179	24,179	24,179	29,418	28,000	16,500
Planning and development		64,947	4,204	3,751	700	1,048	1,048	1,048	7,500	-	-
Road transport		-	44,091	20,704	20,700	23,130	23,130	23,130	21,918	28,000	16,500
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		157	-	-	18,300	200	200	200	24,600	21,289	20,000
Energy sources		-	-	-	18,000	-	-	-	24,000	21,289	20,000
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		157	-	-	300	200	200	200	600	-	-
<i>Other</i>		-	-	-	-	100	100	100	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	70,192	53,363	39,418	53,329	40,601	40,601	40,601	67,378	57,289	58,000
<b>Funded by:</b>											
National Government		33,925	36,825	35,481	52,265	32,702	32,702	32,702	52,918	57,289	58,000
Provincial Government		-	-	-	-	6,000	6,000	6,000	5,000	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	33,925	36,825	35,481	52,265	38,702	38,702	38,702	57,918	57,289	58,000
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		36,268	16,538	3,937	1,064	1,898	1,898	1,898	9,460	-	-
<b>Total Capital Funding</b>	7	70,192	53,363	39,418	53,329	40,601	40,601	40,601	67,378	57,289	58,000

- Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote, standard classification and funding source including capital transfers from national departments.
- Capital expenditure has been appropriated at R67 378 and it has increased when compared to 2018/2019 adjustment budget. The increase is a result of reallocating electrification projects back to Capital expenditure from Operational expenditure after experiencing challenges in the proper accounting treatment of these projects as they are funded by conditional grants and the municipality is an agent in the implementation of them
- Capital programmes funded by national departments totaled to R52 918 and capital programmes funded by provincial department totaled to R5 000 and internally generated funds totaled to R9 460

**Table 14 MBRR Table A6 – Budgeted Financial Position**

KZN271 Umhlabuyalingana - Table A6 Budgeted Financial Position

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		8,402	761	22,350	30,583	46,564	46,564	46,564	65,341	91,703	123,844
Call investment deposits	1	53,786	17,500	12,278	24,519	4,909	4,909	4,909	12,982	13,685	14,388
Consumer debtors	1	7,039	12,387	11,799	20,101	30,967	30,967	30,967	33,005	34,787	36,666
Other debtors		3,099	2,135	1,278	254	964	964	964	460	484	511
Current portion of long-term receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	–	–	–	1,310	126	126	126	1,065	1,123	1,183
<b>Total current assets</b>		<b>72,326</b>	<b>32,783</b>	<b>47,706</b>	<b>76,767</b>	<b>83,531</b>	<b>83,531</b>	<b>83,531</b>	<b>112,852</b>	<b>141,782</b>	<b>176,592</b>
<b>Non current assets</b>											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	247,126	274,298	288,550	250,015	318,801	318,801	318,801	327,623	343,423	355,123
Biological											
Intangible		553	1,091	1,079	–	41	41	41	–	–	–
Other non-current assets											
<b>Total non current assets</b>		<b>247,679</b>	<b>275,389</b>	<b>289,628</b>	<b>250,015</b>	<b>318,842</b>	<b>318,842</b>	<b>318,842</b>	<b>327,623</b>	<b>343,423</b>	<b>355,123</b>
<b>TOTAL ASSETS</b>		<b>320,005</b>	<b>308,171</b>	<b>337,334</b>	<b>326,782</b>	<b>402,373</b>	<b>402,373</b>	<b>402,373</b>	<b>440,476</b>	<b>485,206</b>	<b>531,715</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1										
Borrowing	4	–	–	–	–	–	–	–	–	–	–
Consumer deposits											
Trade and other payables	4	19,288	25,365	20,482	10,940	2,076	2,076	2,076	71,168	66,500	68,071
Provisions											
<b>Total current liabilities</b>		<b>19,288</b>	<b>25,365</b>	<b>20,482</b>	<b>10,940</b>	<b>2,076</b>	<b>2,076</b>	<b>2,076</b>	<b>71,168</b>	<b>66,500</b>	<b>68,071</b>
<b>Non current liabilities</b>											
Borrowing		–	–	–	–	–	–	–	–	–	–
Provisions		11,421	12,935	14,042	22,517	14,042	14,042	14,042	5,040	5,724	6,033
<b>Total non current liabilities</b>		<b>11,421</b>	<b>12,935</b>	<b>14,042</b>	<b>22,517</b>	<b>14,042</b>	<b>14,042</b>	<b>14,042</b>	<b>5,040</b>	<b>5,724</b>	<b>6,033</b>
<b>TOTAL LIABILITIES</b>		<b>30,709</b>	<b>38,300</b>	<b>34,524</b>	<b>33,458</b>	<b>16,118</b>	<b>16,118</b>	<b>16,118</b>	<b>76,208</b>	<b>72,223</b>	<b>74,103</b>
<b>NET ASSETS</b>	5	<b>289,296</b>	<b>269,871</b>	<b>302,810</b>	<b>293,325</b>	<b>386,255</b>	<b>386,255</b>	<b>386,255</b>	<b>364,268</b>	<b>412,982</b>	<b>457,612</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)	4	289,296	269,871	302,810	293,325	386,255	386,255	386,255	364,268	412,982	457,612
Reserves		–	–	–	–	–	–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>289,296</b>	<b>269,871</b>	<b>302,810</b>	<b>293,325</b>	<b>386,255</b>	<b>386,255</b>	<b>386,255</b>	<b>364,268</b>	<b>412,982</b>	<b>457,612</b>

- Table A6 is consistent with international standards of good financial management practice, and improves councilors and managements understanding of the impact of the budget on the statement of financial position.
- This format of financial position is aligned to GRAP 1.

- This table is supported by table SA3 which provides detailed analysis of the major components of a number of items, including;
  - Call investments deposits
  - Consumer debtors
  - Property plant and equipment
  - Trade and other payables
  - Provisions non-current
  - Changes in net assets; and
  - Reserves

**Table 15 MBRR Table A7 – Budgeted Cash Flow Statement**

KZN271 Umhlabuyalingana - Table A7 Budgeted Cash Flows

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		10,913	11,912	14,979	14,638	14,638	14,638	14,638	17,805	17,767	19,780
Service charges		176	234	229	537	207	207	207	275	290	306
Other revenue		4,198	9,278	13,463	6,092	2,001	2,001	2,001	7,402	7,820	8,242
Government - operating	1	133,361	133,777	142,658	155,279	178,996	178,996	178,996	174,495	183,726	198,433
Government - capital	1	33,925	36,825	35,481	52,265	40,265	40,265	40,265	58,918	58,013	59,321
Interest		6,959	5,121	807	1,832	1,290	1,290	1,290	2,011	2,120	2,234
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(134,948)	(166,754)	(151,481)	(143,040)	(178,945)	(178,945)	(178,945)	(164,874)	(183,837)	(195,844)
Finance charges		(20)	(6)	(8)	-	-	-	-	(105)	(111)	(117)
Transfers and Grants	1	-	-	(1,466)	(6,117)	(1,007)	(1,007)	(1,007)	(1,700)	(1,433)	(1,511)
NET CASH FROM/(USED) OPERATING ACTIVITIES		54,563	30,388	54,662	81,485	57,445	57,445	57,445	94,228	84,354	90,844
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		190	234	268	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(70,192)	(74,549)	(38,563)	(53,329)	(40,601)	(40,601)	(40,601)	(67,378)	(57,289)	(58,000)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(70,002)	(74,316)	(38,294)	(53,329)	(40,601)	(40,601)	(40,601)	(67,378)	(57,289)	(58,000)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(26)							-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(26)	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(15,465)	(43,928)	16,368	28,156	16,844	16,844	16,844	26,850	27,065	32,844
Cash/cash equivalents at the year begin:	2	77,654	62,189	18,261	26,945	34,628	34,628	34,628	51,473	78,323	105,388
Cash/cash equivalents at the year end:	2	62,188	18,261	34,628	55,101	51,473	51,473	51,473	78,323	105,388	138,232

- The budgeted cash flow statement is the first measurement in determining if the budget is funded.
- It shows the expected level of cash inflow versus cash outflow that is likely to result from the implementation of the budget.
- The overall debt collection rate that has been applied in this cash flow is 70% on all billed revenue and 100% on other revenue sources as it is assumed that it is cash based.

- Payment of suppliers and employee costs is assumed to be 100% which includes the payment of capital projects as well as repayment of borrowings (Finance leases) as well as other cash flow payments which will include the payment of retention fees and other payments as per table SA30
- It can be seen that the municipality's cash levels are increasing steadily
- Cash and cash equivalents are expected to improve steadily

**Table 16 MBRR Table A8 – Cash-backed Reserves/Accumulated Surplus Reconciliation**

KZN271 Umhlabuyalingana - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description R thousand	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	62,188	18,261	34,628	55,101	51,473	51,473	51,473	78,323	105,388	138,232
Other current investments > 90 days		–	–	–	(0)	(0)	(0)	(0)	–	–	–
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
<b>Cash and investments available:</b>		<b>62,188</b>	<b>18,261</b>	<b>34,628</b>	<b>55,101</b>	<b>51,473</b>	<b>51,473</b>	<b>51,473</b>	<b>78,323</b>	<b>105,388</b>	<b>138,232</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		9,126	6,080	3,326	2,076	2,076	2,076	2,076	69,472	64,700	66,171
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	3,877	7,452	(1,071)	(6,600)	(13,796)	(13,796)	(13,796)	(21,744)	(22,003)	(24,158)
Other provisions		–	–	–	–	–	–	–	–	–	–
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
<b>Total Application of cash and investments:</b>		<b>13,002</b>	<b>13,532</b>	<b>2,255</b>	<b>(4,525)</b>	<b>(11,720)</b>	<b>(11,720)</b>	<b>(11,720)</b>	<b>47,728</b>	<b>42,697</b>	<b>42,013</b>
<b>Surplus(shortfall)</b>		<b>49,186</b>	<b>4,729</b>	<b>32,374</b>	<b>59,626</b>	<b>63,193</b>	<b>63,193</b>	<b>63,193</b>	<b>30,595</b>	<b>62,691</b>	<b>96,220</b>

- Cash-backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42-Funding a Municipal Budget.
- The table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities that exist.
- The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded"
- The end objective of the MTREF is to ensure that the budget is funded and aligned to Section 18 of the MFMA
- From the table it can be seen that the cash surplus is increasing over the years.

Table 17 MBRR Table A9 – Asset Management

KZN271 Umhlabuyalingana - Table A9 Asset Management

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	70,192	53,363	39,418	53,329	40,601	40,601	67,378	57,289	58,000
Roads Infrastructure		-	44,091	20,704	20,700	23,130	23,130	21,918	28,000	16,500
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	18,000	-	-	24,000	21,289	20,000
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	44,091	20,704	38,700	23,130	23,130	45,918	49,289	36,500
Community Facilities		4,767	4,922	13,962	13,079	15,518	15,518	12,000	8,000	5,000
Sport and Recreation Facilities		-	-	-	-	54	54	-	-	16,500
Community Assets		4,767	4,922	13,962	13,079	15,572	15,572	12,000	8,000	21,500
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		322	146	1,001	350	350	350	400	-	-
Furniture and Office Equipment		-	-	-	-	-	-	1,260	-	-
Machinery and Equipment		157	-	-	500	500	500	600	-	-
Transport Assets		64,947	4,204	3,751	700	1,048	1,048	7,200	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	70,192	53,363	39,418	53,329	40,601	40,601	67,378	57,289	58,000
Roads Infrastructure		-	44,091	20,704	20,700	23,130	23,130	21,918	28,000	16,500
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	18,000	-	-	24,000	21,289	20,000
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	44,091	20,704	38,700	23,130	23,130	45,918	49,289	36,500
Community Facilities		4,767	4,922	13,962	13,079	15,518	15,518	12,000	8,000	5,000
Sport and Recreation Facilities		-	-	-	-	54	54	-	-	16,500
Community Assets		4,767	4,922	13,962	13,079	15,572	15,572	12,000	8,000	21,500
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		322	146	1,001	350	350	350	400	-	-
Furniture and Office Equipment		-	-	-	-	-	-	1,260	-	-
Machinery and Equipment		157	-	-	500	500	500	600	-	-
Transport Assets		64,947	4,204	3,751	700	1,048	1,048	7,200	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		70,192	53,363	39,418	53,329	40,601	40,601	67,378	57,289	58,000



ASSET REGISTER SUMMARY - PPE (WDV)	5	247,679	275,389	289,628	250,015	318,842	318,842	327,623	343,423	355,123
Roads Infrastructure		102,971	229,561	246,995	116,667	116,667	116,667	57,918	45,800	38,000
Storm water Infrastructure					-	-	-	-	-	-
Electrical Infrastructure					21,145	21,145	21,145	-	-	-
Water Supply Infrastructure					-	-	-	-	-	-
Sanitation Infrastructure					-	-	-	-	-	-
Solid Waste Infrastructure					5,353	5,353	5,353	-	-	-
Rail Infrastructure					-	-	-	-	-	-
Coastal Infrastructure					-	-	-	-	-	-
Information and Communication Infrastructure					-	-	-	-	-	-
Infrastructure		102,971	229,561	246,995	143,166	143,166	143,166	57,918	45,800	38,000
Community Assets		4,707	3,737		70,229	138,614	138,614	-	-	-
Heritage Assets		-	-		-	-	-	-	-	-
Investment properties		-	-		-	-	-	-	-	-
Other Assets		131,031	40,342	40,895	25,232	25,674	25,674	-	-	-
Biological or Cultivated Assets		-	-		-	-	-	-	-	-
Intangible Assets		553	1,091	1,079	690	690	690	-	-	-
Computer Equipment		-	-		1,349	1,349	1,349	400	-	-
Furniture and Office Equipment		-	-		369	369	369	960	-	-
Machinery and Equipment		3,698			1,908	1,908	1,908	261,145	297,623	317,123
Transport Assets		4,719			6,141	6,141	6,141	7,200	-	-
Land		-	659	659	931	931	931	-	-	-
Zoo's, Marine and Non-biological Animals		-	-		-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	247,679	275,389	289,628	250,015	318,842	318,842	327,623	343,423	355,123
EXPENDITURE OTHER ITEMS		44,529	32,462	28,796	29,919	30,490	30,490	30,188	27,828	29,332
Depreciation	7	18,184	21,177	24,474	24,929	25,778	25,778	25,627	23,021	24,264
Repairs and Maintenance by Asset Class	3	26,345	11,285	4,322	4,990	4,712	4,712	4,561	4,808	5,067
Roads Infrastructure		16,551	6,609	1,050	1,600	1,600	1,600	1,600	1,686	1,777
Storm water Infrastructure		284	207	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	52	-	-	-	-	-	-
Sanitation Infrastructure		41	18	32	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		16,877	6,834	1,134	1,600	1,600	1,600	1,600	1,686	1,777
Community Facilities		654	1,232	314	661	661	661	200	211	222
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		654	1,232	314	661	661	661	200	211	222
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		3,846	1,505	509	700	421	421	450	474	500
Housing		-	-	-	-	-	-	-	-	-
Other Assets		3,846	1,505	509	700	421	421	450	474	500
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	55	-	-	-	-	-	-	-
Intangible Assets		-	55	-	-	-	-	-	-	-
Computer Equipment		381	163	67	81	81	81	81	86	90
Furniture and Office Equipment		9	4	-	-	-	-	-	-	-
Machinery and Equipment		1,151	26	59	348	348	348	430	453	478
Transport Assets		3,428	1,467	2,240	1,600	1,600	1,600	1,800	1,897	2,000
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		44,529	32,462	28,796	29,919	30,490	30,490	30,188	27,828	29,332

- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

Table 18 MBRR Table A10 – Basic Service Delivery Measurement

KZN271 Umhlabuyalingana - Table A10 Basic service delivery measurement

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22

KZN271 Umhlabuyalingana - Table A10 Basic service delivery measurement

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week		376	376	376	376	376	376	376	376	376
<i>Minimum Service Level and Above sub-total</i>		376	376	376	376	376	376	376	376	376
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	376	376	376	376	376	376	376	376	376
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		520	520	520	520	520	520	520	520	520
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		0	0	0	0	0	0	0	0	0
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
Total cost of FBS provided		0	0	0	0	0	0	0	0	0
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		4,268	4,766	5,867	4,385	4,385	4,385	5,800	6,113	6,443
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided	6	4,268	4,766	5,867	4,385	4,385	4,385	5,800	6,113	6,443

- It is anticipated that these free basic services will cost the municipality R547 and a reduction of R5 8000 to public service infrastructure

- A service of refuse removal is rendered at a loss to R376 properties. The municipality is only billing 23 customers. Community services are providing the service but they have not yet finalized the process of signing service agreements with all customers they are servicing.

## **PART 2 – Supporting Documentation**

### **2.1 Overview of the annual budget process**

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget.

#### **2.1.1 Budget Process Overview**

The key deadlines for the compilation of the IDP and MTREF was submitted to council for approval during August 2018 as required by Section 21(b) of the MFMA. In terms of the approved key deadlines the draft IDP and Budget must be tabled to Council at the end of March 2019

The IDP unit conducted meetings with ward committees on the 10<sup>th</sup>, 11<sup>th</sup> and 12<sup>th</sup> of October 2018 to get input for the review of the IDP.

IDP engagement meetings with other sector departments were in September 2018 and February 2019

Departments received budget compilation guidelines and templates to be submitted in support of their budget requests in January 2019

Department submitted their Operational Budget and Capital Budget requests to finance department for consolidation during February 2019. Consolidation of the departmental input received and analysis of the requests took place during February and March 2019.

Key dates as approved by Council in August 2018 were as follows:

- First round public engagements at ward level with ward councilors and ward committees were from October 2018. The focus was on the following:
  - Feed back on how the priorities have / have not been accommodated in the 2019/2020 budget
  - Give strategic direction and obtain the 5 priorities for the 2019/2020 budget cycle.
- The Mid-Year Budget and Performance Assessments engagement with the National Treasury in February 2019
- Public meetings regarding the tabled 2019/2020 MTREF took place from the 15<sup>th</sup> to 30<sup>th</sup> of April 2019.
- Final approval of the 2019/2020 MTREF was on the 31<sup>st</sup> of May 2019.

#### **2.1.2 IDP and Service Delivery and Budget Implementation Plan**

The IDP is the municipal principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into planning statements covering the 5 year objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

All departments were part of the process of reviewing the IDP and SDBIP of the municipality for 2019/2020 financial year.

### 2.1.3 Community Consultation

Section 29(1)(b) of Chapter 5 of the Municipal Systems Act of 2000 states that municipalities through appropriate mechanisms, processes and procedures established in terms of public participation allow for communities to be consulted on their development needs and priorities and that the local community to participate in drafting of the IDP.

The municipality used ward committees as mechanism for the purpose of engaging and consulting communities on their needs and priorities. The IDP review meetings were held in 4 strategic points identified by the planning committee. The meetings took place on 10 October 2018 at Tembe Tribal Court in ward 1, 11 October 2018 at Bhekabantu Community Hall in ward 09 and on the 12<sup>th</sup> of October November 2018 at Kwambila in ward 5

The following are community needs identified during the IDP review in October 2018.

- Construction of the following 5 roads which are
  - IYK Tarred road
  - Mbazwane to kwaMbila black top road
  - Manzengwenya access road
  - Esiphahleni access road
  - Mashabane Tribal authority access road
  -
- Construction of the following 2 Community Halls
  - Manguzi Multi Purpose Centre
  - Ward 5 Community Hall
- And 2 electrification projects
  - Jikijela to Mlamula electrification and
  - Manguzi electrification

### 2.2 Overview of alignment of annual budget with IDP

The alignment of the budget with the IDP has been achieved through the setting of targets by departments which were guided by the following principles:

- It had to be aligned to the national outcome related to their mandate.
- Focus on basic service delivery in terms of the eradication of backlogs, provision of basic services as well as the maintenance of existing infrastructure and community needs.
- All targets set in the IDP were cross referenced to the budget as part of the result-based budget process. Each outcome with its supporting activities set for the coming year has been linked to specific votes in the budget to be utilized to achieve it.
- The 2019/2020 MTREF is informed by the IDP revision process as per the table below.

**Table 19 MBRR Table SA4-Reconciliation between the IDP Strategic objectives and budgeted revenue**

KZN271 Umhlabuyalingana - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
R thousand													
Municipal Financial Viability and financial management	To improve municipal finance and administrative capability	MFVF M 01		17,184	19,118	19,830	19,517	19,517	19,517	26,978	28,435	29,970	
Basic service delivery and infrastructure development	To provide an improved access to community / public facilities to minimum standard			202	202	283	671	671	671	655	690	728	
Municipal Financial Viability and financial management	To improve municipal finance and administrative capability	MFVF M 02		252	254	303	523	413	413	413	436	459	
Municipal Financial Viability and financial management	To improve municipal finance and administrative capability	MFVF M 03		6,959	5,121	3,273	2,290	1,290	1,290	1,290	1,360	1,433	
Municipal Financial Viability and financial management	To improve municipal finance and administrative capability	MFVF M 04		747	895	1,268	721	721	721	721	760	801	
Basic service delivery and infrastructure development	To provide an improved access to community / public facilities to minimum standard			2,077	1,710	1,606	1,824	1,826	1,826	1,168	1,213	1,279	
Basic service delivery and infrastructure development	To provide an improved access to community / public facilities to minimum standard			3,798	3,707	3,882	2,830	2,840	2,840	3,592	3,786	3,990	
Municipal Financial Viability and financial management	To improve municipal finance and administrative capability	MFVF M 05		133,361	133,777	142,658	155,279	178,996	178,996	174,495	183,726	198,433	
Municipal Financial Viability and financial management	To improve municipal finance and administrative capability	MFVF M 06		395	406	408	1,906	13,002	13,002	2,853	3,025	3,189	
Basic service delivery and infrastructure development	To provide an improved access to community / public facilities to minimum standard			31,595	36,825	35,481	52,265	40,265	40,265	39,918	36,724	39,321	
Municipal Financial Viability and financial management	To improve municipal finance and administrative capability	MFVF M 07					-	448	448	-	-	-	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	196,570	202,015	208,992	237,826	259,989	259,989	252,084	260,155	279,603

**Table SA 20 MBRR Table SA 20 – Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

KZN271 Umhlabuyalingana - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
R thousand													
Basic service delivery and infrastructure development	To provide an improved access to community / public facilities to minimum standard			37,484	49,254	58,302	66,694	75,980	75,980	89,314	94,137	99,221	
Basic service delivery and infrastructure development	To provide an improved access to community / public facilities to minimum standard			9,502	10,386	12,161	15,079	12,891	12,891	13,456	14,182	14,948	
Municipal Financial Viability and financial management	To improve municipal finance and administrative capability			8,564	3,152	6,151	10,311	11,611	11,611	11,400	15,753	19,867	
Municipal Financial Viability and financial management	To improve municipal finance and administrative capability			18,184	21,177	24,474	24,929	25,778	25,778	25,627	23,021	24,264	
Basic service delivery and infrastructure development	To provide an improved access to community / public facilities to minimum standard						–	–	–	105	111	117	
Local Economic Development and Socio Development	To facilitate the development and growth of SMME's			825	878	955	606	1,538	1,538	1,768	1,863	1,964	
Basic service delivery and infrastructure development	To provide an improved access to community / public facilities to minimum standard			72	31	3,586	28,761	52,292	52,292	26,183	37,222	41,301	
Basic service delivery and infrastructure development	To provide an improved access to community / public facilities to minimum standard			26,273	11,255	33,934	6,117	1,007	1,007	1,700	1,433	1,511	
Basic service delivery and infrastructure development	to ensure effective traffic management within the municipality			75,731	104,132	36,364	32,000	38,291	38,291	34,153	36,432	38,410	
Allocations to other priorities													
Total Expenditure				1	176,634	200,265	175,926	184,497	219,389	219,389	203,706	224,155	241,603



KZN271 Umhlabuyalingana - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

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### 2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities.

The performance of the municipality relates directly to the extent to which it has achieved success in realizing its goals and objectives, complied with legislative requirements and meeting stakeholders expectations. The municipality has adopted one Integrated Performance Management System which comprises of planning, monitoring, measurement, review, reporting and improvement. The performance information concepts used by the municipality in its IPMS are aligned to the framework of managing programme performance information issued by National Treasury. The following table provides the main measurable performance objective the municipality undertakes to achieve this financial year.

Table 22 MBRR Table SA7 – Measurable performance objectives

KZN271 Umhlabuyalingana - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Executive and council</b>										
Mayor and Council										
Sub-function 1 - (name)										
Burial support programme	no of house holds	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
wellness programme	no of communities	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
<b>Municipal Manager</b>										
Sub-function 1 - (name)										
IDP Review	IDP document reviewed	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Signing of performance agreements	Signing of performance	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Sub-function 2 - (name)										
Internal audit issues resolved	Number of issues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sub-function 3 - (name)										
Insert measure/s description										
<b>Finance and Admin</b>										
Finance										
Sub-function 1 - (name)										
submission of S71 reports	number of reports	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Adoption of annual budget	number of budgets	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Sub-function 2 - (name)										
revenue collection	percentage of collection	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
Approval of general valuation roll	number of gv rolls	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Sub-function 3 - (name)										
unauthorised expenditure reports	number of reports	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
submission of AFS	Number of AFS issued	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Valuation services										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
<b>Corporate services</b>										
Human Resources										
Sub-function 1 - (name)										
filling of vacant positions	number of positions filled	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	7.0%	7.0%	7.0%
adoption of organogram	date organogram was	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sub-function 2 - (name)										
adoption of retention strategy	date of approval of	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
conducting skills audit	number of skills audit	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Sub-function 3 - (name)										
review of HR Policies	number of policies	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
workshop HR Policies	date of the workshop	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Information Technology										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
And so on for the rest of the Votes										

The following table sets out the municipality's main performance objectives and benchmarks for 2019/2020 MTREF.

Table 23 MBRR Table SA8 – Performance indicators and benchmarks

KZN271 Umhlabuyalingana - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Borrowing Management</b>											
Credit Rating		0	0	0	0	0	0	0			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.5%	0.4%	0.5%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.7%	2.8%	3.0%	0.0%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	3.7	1.3	2.3	7.0	40.2	40.2	40.2	1.6	2.1	2.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	3.7	1.3	2.3	7.0	40.2	40.2	40.2	1.6	2.1	2.6
Liquidity Ratio	Monetary Assets/Current Liabilities	3.2	0.7	1.7	5.0	24.8	24.8	24.8	1.1	1.6	2.0
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		63.8%	62.9%	75.6%	75.2%	73.5%	73.5%	73.5%	65.4%	62.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		63.8%	62.9%	75.6%	75.2%	73.5%	73.5%	73.5%	65.4%	62.0%	65.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	6.1%	8.8%	7.5%	11.0%	16.1%	16.1%	16.1%	15.8%	15.8%	15.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		3.3%	50.7%	6.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Other Indicators</b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	22.7%	28.4%	33.5%	35.9%	38.4%	38.4%	38.4%	42.1%	42.1%	41.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	42.5%	28.9%	47.9%	44.9%	44.9%		48.4%	48.5%	47.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	16.0%	6.8%	2.5%	2.7%	2.4%	2.4%		2.1%	2.2%	2.1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	11.5%	13.4%	14.6%	13.4%	13.1%	13.1%	13.1%	12.1%	10.4%	10.1%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	6.2	38.9	17.2	23.5	23.5	23.5	20.3	17.8	17.8	18.7
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	57.5%	74.2%	64.1%	98.3%	155.0%	155.0%	155.0%	119.3%	119.3%	119.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	6.6	1.4	3.2	4.7	3.6	3.6	3.6	6.0	7.1	8.6

## 2.3.1 Performance indicators and benchmarks

### 2.3.1.1 Borrowing Management

It has been discovered that the type of leases we have is operational leases not financial leases as previously reported therefore we no longer have borrowings.

### 2.3.1.3 Liquidity

The municipality's ability to adhere to its short term obligations is better since the ratios is high. For the 2019/2020 MTREF the ratios is expected to be 25 and improve to 28.1 by 2020/2021 financial year

### 2.3.1.4 Revenue Management

- Annual debtors collection rate indicates the percentage payment levels of the municipality. The municipal payment level percentage according to table SA 8 it is expected to be 73.5%
- Current debtors collection rate payment levels is 67%

### 2.3.1.5 Repairs and maintenance as a percentage of revenue (excluding capital revenue)

- It has increased from 2.1% in 2018/2019 to 2.4% in 2019/2020 financial year but it is still below the average ratio of 8%

### 2.3.2 Free Basic Services: basic social services package for indigent households

The social package assist residents that have difficulty paying for services and registered as indigent households in terms of the Indigent Policy of the municipality. The municipality provides for free basic electricity through Eskom only since they do not provide other services to the residents of umhlabuyalingana except for refuse removal which is also not yet been rolled out to residential properties. Currently we provide free basic electricity to 520 indigents as per the indigent register of the municipality. This number might increase by end of this financial year (2018/2019) because the indigent register is being updated and the revised date of its completion is end of June 2019 by end of June 2019

The municipality also provided property rates rebates to business and commercial debtors.

### 2.4 Overview of budget related policies

The following is the list of budget related policies of Umhlabuyalingana Municipality, all these policies were reviewed and adopted by council on the 30<sup>th</sup> of May 2019

- Budget policy
- Asset management policy
- Asset disposal policy
- Asset maintenance policy
- Credit control and debt collection policy
- Indigent policy
- Cash and Investment policy
- Petty cash policy
- Property rates policy
- Supply Chain Management Policy
- Tariffs policy
- Virement policy

Attached to budget document as annexure C

### 2.5 Overview of budget assumptions

#### 2.5.1 General inflation outlook and its impact on the municipal activities

The following factors have been taken into consideration in the compilation of the 2019/2020 MTREF.

- National Government macro –economic targets.
- General inflationary outlook and the impact on the municipality's residents and business.
- The impact of municipal cost drivers
- The increase in the cost of remuneration

The inflation outlook for the MTREF is as follows

The following table reflects the inflation forecast as contained in circular 91 of National Treasury

Fiscal Year	2018/2019	2019/2020	2020/2021	2021/2022
	Estimate	Forecast		
CPI Inflation	4.7%	5.2%	5.4%	5.4%

### 2.5.3 Collection rate for revenue services

The rate of revenue collection is currently expressed as a percentage 70% of annual billings. Cash flow is assumed to be 67% of billings for property rates, refuse removal and rental of facilities. Other cash flows are assumed to be 100% as they are not based on billing but cash based.

### 2.5.4 Salary increases

Salaries have been increase by 6.5% as per the provisions of the SALGA agreement

### 2.5.5 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focused service delivery and in this regard various measures were implemented to align IDP's provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- National Development Plan addressing inter alia economic growth and job creation.
- Enhancing education and skills development.
- Improving health services.
- Rural development and agriculture
- Fighting crime and corruption

### 2.5.6. Ability of the municipality to spend and deliver on the programmes

it is estimated that a spending rate of 100% will be achieved on operational expenditure and capital programme for the 2019/2020 MTREF of which performance has been factored into the cash flow budget

## 2.6 Overview of budget funding

### 2.6.1 Medium-term outlook: Operating Revenue

#### Tariffs changes

- Tariffs did not change from the 2018/2019 financial year.

The table below provide detailed investment information and investment particulars by maturity.

**Table 24 MBRR SA15- Detailed Investment Information**

KZN271 Umhlabuyalingana - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		53,786	17,500	12,278	24,519	4,909	4,909	12,982	13,685	14,388
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	53,786	17,500	12,278	24,519	4,909	4,909	12,982	13,685	14,388
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		53,786	17,500	12,278	24,519	4,909	4,909	12,982	13,685	14,388

**Table 25 MBRR SA16 – Investment particulars by maturity**

KZN271 Umhlabuyalingana - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed Interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (t)	Investment Top Up	Closing Balance
		Yrs/Months												
<b>Parent municipality</b>														
FNB - 7427626515		Months	Money Market	Yes	Variable	2.00%			30 June 2020	4,719	356	(13,479)	13,079	4,675
FNB - 74622621601		Months	Fixed Deposit	Yes	Variable	2.00%			30 June 2020	6,889	371	(13,479)	11,652	5,433
FNB - 6226889825		Months	Money Market	Yes	Variable	2.00%			30 June 2020	1,443	227	(8,686)	9,889	2,873
NEDBANK - 287020297		Months	32 Days Notice	Yes	Variable	2.00%			30 June 2020	35	142	(7,257)	7,079	0
STD - 098824491		Months	32 Days Notice	Yes	Variable	3.00%			30 June 2020	20	194	(6,672)	6,458	0
<b>Municipality sub-total</b>										13,106		(49,573)	48,158	12,982
<b>Entities</b>														
														-
														-
														-
														-
<b>Entities sub-total</b>										-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	1									13,106		(49,573)	48,158	12,982



## 2.6.2 Medium-term outlook : capital revenue

### Table 26 MBRR SA17 – Detail of borrowings

Previously it was reported that we have finance leases for office machinery but it has been discovered that the type of lease we have is operational leases hence we do not have borrowings

KZN271 Umhlabuyalingana - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
<b>Parent municipality</b>										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Municipality sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Entities</b>										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	-	-	-	-	-	-	-	-	-
<b>Unspent Borrowing - Categorised by type</b>										
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Municipality sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Unspent Borrowing</b>	1	-	-	-	-	-	-	-	-	-

Table 27 MBRR SA18 – Capital transfers and grant receipts

KZN271 Umhlabuyalingana - Supporting Table SA18 Transfers and grant receipts

Description R thousand	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
National Government:		124,232	125,223	139,913	168,623	172,623	172,623	190,440	202,304	215,559
Local Government Equitable Share		121,138	121,121	133,848	145,676	145,676	145,676	166,017	179,115	193,659
Finance Management		1,800	1,825	1,900	1,900	1,900	1,900	1,900	1,900	1,900
EPWP Incentive		1,294	2,277	4,165	3,047	3,047	3,047	3,523	–	–
Integrated National Electrification Programme		–	–	–	18,000	22,000	22,000	19,000	21,289	20,000
Other transfers/grants [insert description]										
Provincial Government:		1,476	3,550	1,657	4,656	6,373	4,373	3,055	2,711	2,874
		1,476	3,550	1,657	1,676	1,676	1,676	2,249	1,848	1,950
					1,722	197	197	806	863	924
					1,200	2,450	2,450			
					58	50	50			
						2,000				
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	125,708	128,773	141,570	173,279	178,996	176,996	193,495	205,015	218,433
<b>Capital Transfers and Grants</b>										
National Government:		33,827	36,825	35,481	34,265	34,265	34,265	34,918	36,419	36,724
Municipal Infrastructure Grant (MIG)		33,827	36,825	35,481	34,265	34,265	34,265	34,918	36,419	36,724
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	6,000	6,000	5,000	–	–
Small Town Rehabilitation Grant						6,000	6,000			
Massification Grant								5,000		
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	33,827	36,825	35,481	34,265	40,265	40,265	39,918	36,419	36,724
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		159,535	165,598	177,051	207,544	219,261	217,261	233,413	241,434	255,157

The table above indicate the capital transfers and grants received in 2019/2020 financial year.

### 2.6.3 Cash flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understanding of councilors and management. It includes :

- Clear separation of receipts and payments within each cash flow category/
- Clear separation of capital and operating receipts from government

- Separation of borrowings and loan agreements to assist with MFMA compliance assessment regarding the use of long term borrowing

Table 28 MBRR Table A7 – Budgeted Cash Flows

KZN271 Umhlabuyalingana - Table A7 Budgeted Cash Flows

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		10,913	11,912	14,979	14,638	14,638	14,638	14,638	17,805	17,767	19,780
Service charges		176	234	229	537	207	207	207	275	290	306
Other revenue		4,198	9,278	13,463	6,092	2,001	2,001	2,001	7,402	7,820	8,242
Government - operating	1	133,361	133,777	142,658	155,279	178,996	178,996	178,996	174,495	183,726	198,433
Government - capital	1	33,925	36,825	35,481	52,265	40,265	40,265	40,265	58,918	58,013	59,321
Interest		6,959	5,121	807	1,832	1,290	1,290	1,290	2,011	2,120	2,234
Dividends			-	-		-	-	-		-	-
Payments											
Suppliers and employees		(134,948)	(166,754)	(151,481)	(143,040)	(178,945)	(178,945)	(178,945)	(164,874)	(183,837)	(195,844)
Finance charges		(20)	(6)	(8)	-	-	-	-	(105)	(111)	(117)
Transfers and Grants	1	-	-	(1,466)	(6,117)	(1,007)	(1,007)	(1,007)	(1,700)	(1,433)	(1,511)
NET CASH FROM/(USED) OPERATING ACTIVITIES		54,563	30,388	54,662	81,485	57,445	57,445	57,445	94,228	84,354	90,844
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		190	234	268	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(70,192)	(74,549)	(38,563)	(53,329)	(40,601)	(40,601)	(40,601)	(67,378)	(57,289)	(58,000)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(70,002)	(74,316)	(38,294)	(53,329)	(40,601)	(40,601)	(40,601)	(67,378)	(57,289)	(58,000)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(26)							-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(26)	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(15,465)	(43,928)	16,368	28,156	16,844	16,844	16,844	26,850	27,065	32,844
Cash/cash equivalents at the year begin:	2	77,654	62,189	18,261	26,945	34,628	34,628	34,628	51,473	78,323	105,388
Cash/cash equivalents at the year end:	2	62,188	18,261	34,628	55,101	51,473	51,473	51,473	78,323	105,388	138,232

Table 29 MBRR Table SA30 –Budgeted monthly cash flow

KZN271 Umhlabuyalingana - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Cash Receipts By Source</b>													1		
Property rates	1,484	1,484	1,484	1,484	1,484	1,484	1,484	1,484	1,484	1,484	1,484	1,484	17,805	17,767	19,780
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	23	23	23	23	23	23	23	23	23	23	23	23	275	290	306
Rental of facilities and equipment	32	32	32	32	32	32	32	32	32	32	32	32	380	401	422
Interest earned - external investments	108	108	108	108	108	108	108	108	108	108	108	108	1,290	1,360	1,433
Interest earned - outstanding debtors	60	60	60	60	60	60	60	60	60	60	60	60	721	760	801
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	48	48	48	48	48	48	48	48	48	48	48	48	577	608	640
Licences and permits	299	299	299	299	299	299	299	299	299	299	299	299	3,592	3,786	3,990
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	58,165	-	-	-	-	58,165	-	-	58,165	-	-	-	174,495	183,726	198,433
Other revenue	238	238	238	238	238	238	238	238	238	238	238	238	2,853	3,025	3,189
<b>Cash Receipts by Source</b>	60,456	2,291	2,291	2,291	2,291	60,456	2,291	2,291	60,456	2,291	2,291	2,291	201,989	211,722	228,995
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	21,389	-	-	4,750	-	16,389	-	-	16,389	-	-	0	58,918	58,013	59,321
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	81,845	2,291	2,291	7,041	2,291	76,845	2,291	2,291	76,845	2,291	2,291	2,291	260,907	269,735	288,316
<b>Cash Payments by Type</b>															
Employee related costs	7,443	7,443	7,443	7,443	7,443	7,443	7,443	7,443	7,443	7,443	7,443	7,443	89,314	94,137	99,221
Remuneration of councillors	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	13,456	14,182	14,948
Finance charges	9	9	9	9	9	9	9	9	9	9	9	9	105	111	117
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	147	147	147	147	147	147	147	147	147	147	147	147	1,768	1,863	1,964
Contracted services	2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	26,183	37,222	41,301
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	142	142	142	142	142	142	142	142	142	142	142	142	1,700	1,433	1,511
Other expenditure	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	34,153	36,432	38,410
<b>Cash Payments by Type</b>	13,890	13,890	13,890	13,890	13,890	13,890	13,890	13,890	13,890	13,890	13,890	13,890	166,679	185,381	197,472
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	5,615	5,615	5,615	5,615	5,615	5,615	5,615	5,615	5,615	5,615	5,615	5,615	67,378	57,289	58,000
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	19,505	19,505	19,505	19,505	19,505	19,505	19,505	19,505	19,505	19,505	19,505	19,505	234,057	242,670	255,472
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	62,341	(17,214)	(17,214)	(12,464)	(17,214)	57,341	(17,214)	(17,214)	57,341	(17,214)	(17,214)	(17,214)	26,850	27,065	32,844
Cash/cash equivalents at the month/year begin:	51,473	113,814	96,600	79,386	66,923	49,709	107,050	89,836	72,623	129,964	112,750	95,536	51,473	78,323	105,388
Cash/cash equivalents at the month/year end:	113,814	96,600	79,386	66,923	49,709	107,050	89,836	72,623	129,964	112,750	95,536	78,323	78,323	105,388	138,232

## 2.6.4 Cash-backed Reserves/Accumulated Surplus Reconciliation

The table below meets the requirements of MFMA circular 42 which deals with the funding of a municipal budget in accordance with Section 18 and 19 of the MFMA.

The table shows the predicted cash and cash investments that are available at the end of the budget year, how these funds are used and what is the net fund available or funding deficit?

**Table 30 MBRR Table A8 – Cash-backed reserves/ accumulated surplus reconciliation**

KZN271 Umhlabyalingana - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description R thousand	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	62,188	18,261	34,628	55,101	51,473	51,473	51,473	78,323	105,388	138,232
Other current investments > 90 days		–	–	–	(0)	(0)	(0)	(0)	–	–	–
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
<b>Cash and investments available:</b>		<b>62,188</b>	<b>18,261</b>	<b>34,628</b>	<b>55,101</b>	<b>51,473</b>	<b>51,473</b>	<b>51,473</b>	<b>78,323</b>	<b>105,388</b>	<b>138,232</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		9,126	6,080	3,326	2,076	2,076	2,076	2,076	69,472	64,700	66,171
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	3,877	7,452	(1,071)	(6,600)	(13,796)	(13,796)	(13,796)	(21,744)	(22,003)	(24,158)
Other provisions		–	–	–	–	–	–	–	–	–	–
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
<b>Total Application of cash and investments:</b>		<b>13,002</b>	<b>13,532</b>	<b>2,255</b>	<b>(4,525)</b>	<b>(11,720)</b>	<b>(11,720)</b>	<b>(11,720)</b>	<b>47,728</b>	<b>42,697</b>	<b>42,013</b>
<b>Surplus(shortfall)</b>		<b>49,186</b>	<b>4,729</b>	<b>32,374</b>	<b>59,626</b>	<b>63,193</b>	<b>63,193</b>	<b>63,193</b>	<b>30,595</b>	<b>62,691</b>	<b>96,220</b>

Unspent conditional grants reflected in the table above relates to old balances as per Annual Financial Statements that have not been spent.

### 2.6.5 Funding compliance measurement

The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA

Table 31 MBRR Table A10 –Basic service delivery measurement

KZN271 Umhlabuyalingana - Table A10 Basic service delivery measurement

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week		376	376	376	376	376	376	376	376	376
<i>Minimum Service Level and Above sub-total</i>		376	376	376	376	376	376	376	376	376
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	376	376	376	376	376	376	376	376	376
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		520	520	520	520	520	520	520	520	520
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		0	0	0	0	0	0	0	0	0
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
Total cost of FBS provided		0	0	0	0	0	0	0	0	0
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
<b>Revenue - cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates - exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		4,268	4,766	5,867	4,385	4,385	4,385	5,800	6,113	6,443
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided	6	4,268	4,766	5,867	4,385	4,385	4,385	5,800	6,113	6,443



## 2.7 Expenditure on grants and reconciliation of unspent funds

Table 32 MBRR Table SA 19 – Expenditure on transfers and grant programmes

KZN271 Umhlabuyalingana - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		124,232	125,223	139,913	168,623	172,623	172,623	190,440	202,304	215,559
Local Government Equitable Share		121,138	121,121	133,848	145,676	145,676	145,676	166,017	179,115	193,659
Finance Management		1,800	1,825	1,900	1,900	1,900	1,900	1,900	1,900	1,900
EPWP Incentive		1,294	2,277	4,165	3,047	3,047	3,047	3,523	–	–
Integrated National Electrification Programme		–	–	–	18,000	22,000	22,000	19,000	21,289	20,000
Other transfers/grants [insert description]										
Provincial Government:		1,476	3,550	1,657	4,656	6,373	4,373	3,055	2,711	2,874
		1,476	3,550	1,657	1,676	1,676	1,676	2,249	1,848	1,950
					1,722	197	197	806	863	924
					1,200	2,450	2,450			
					58	50	50			
0						2,000				
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
<b>Total operating expenditure of Transfers and Grants</b>		125,708	128,773	141,570	173,279	178,996	176,996	193,495	205,015	218,433
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		33,827	36,825	35,481	34,265	34,265	34,265	34,918	36,419	36,724
Municipal Infrastructure Grant (MIG)		33,827	36,825	35,481	34,265	34,265	34,265	34,918	36,419	36,724
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	6,000	6,000	5,000	–	–
Small Town Rehabilitation Grant						6,000	6,000			
Massification Grant								5,000		
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
<b>Total capital expenditure of Transfers and Grants</b>		33,827	36,825	35,481	34,265	40,265	40,265	39,918	36,419	36,724
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		159,535	165,598	177,051	207,544	219,261	217,261	233,413	241,434	255,157

**Table 33 MBRR Table SA20 – Reconciliation between transfers, grant receipts and unspent funds**

KZN271 Umhlabuyalingana - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description R thousand	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Operating transfers and grants:</b>	1,3									
National Government:										
Balance unspent at beginning of the year		–	–	2,916	–	–	–	–	–	–
Current year receipts		18,094	24,102	31,065	4,947	26,947	26,947	24,423	23,189	21,900
Conditions met - transferred to revenue		18,094	21,186	33,981	–	(82,385)	26,947	24,423	23,189	21,900
Conditions still to be met - transferred to liabilities		–	2,916	–	4,947	109,332				
Provincial Government:										
Balance unspent at beginning of the year		2,259	9,126	3,164	3,326	3,326	3,326	2,076	–	–
Current year receipts		24,657	2,592	28,000	4,656	6,373	6,373	3,055	2,711	2,874
Conditions met - transferred to revenue		17,791	8,554	27,838	–	2,282	7,623	5,131	2,711	2,874
Conditions still to be met - transferred to liabilities		9,126	3,164	3,326	7,982	7,417	2,076	–	–	–
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
<b>Total operating transfers and grants revenue</b>		35,885	29,740	61,819	–	(80,103)	34,570	29,554	25,900	24,774
<b>Total operating transfers and grants - CTBM</b>	2	9,126	6,080	3,326	12,929	116,749	2,076	–	–	–
<b>Capital transfers and grants:</b>	1,3									
National Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		33,827	36,825	35,481	52,265	34,265	34,265	34,918	36,724	39,321
Conditions met - transferred to revenue		33,827	36,825	35,481	52,265	34,265	34,265	34,918	36,724	39,321
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts						6,000	6,000	5,000		
Conditions met - transferred to revenue		–	–	–	–	6,000	6,000	5,000	–	–
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
<b>Total capital transfers and grants revenue</b>		33,827	36,825	35,481	52,265	40,265	40,265	39,918	36,724	39,321
<b>Total capital transfers and grants - CTBM</b>	2	–	–	–	–	–	–	–	–	–
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		69,712	66,565	97,300	52,265	(39,838)	74,835	69,472	62,624	64,095
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		9,126	6,080	3,326	12,929	116,749	2,076	–	–	–

Table 34 MBRR Table SA 21 Transfers and grants made by the municipality

KZN271 Umhlabuyalingana - Supporting Table SA21 Transfers and grants made by the municipality

Description R thousand	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Cash Transfers to other municipalities</b>											
<i>Insert description</i>	1										
<b>Total Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Entities/Other External Mechanisms</b>											
<i>Insert description</i>	2										
<b>Total Cash Transfers To Entities/Ems'</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to other Organs of State</b>											
<i>Insert description</i>	3										
<b>Total Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Organisations</b>											
<i>Insert description</i>											
<b>Total Cash Transfers To Organisations</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Groups of Individuals</b>											
<i>Insert description</i>					6,117	1,007	1,007	1,007	1,700	1,433	1,511
<i>School support</i>			736	412							
<i>Sporting equipment and kits</i>			4,666	-							
<i>Pauper burial</i>			1,360	-							
<i>Water assets transfer</i>			4,173	-							
<i>Town improvement</i>			366	530							
<i>Bursaries</i>			1,043	214							
<i>Social Relief</i>			9,508	1,851							
<b>Total Cash Transfers To Groups Of Individuals:</b>		-	21,852	3,007	6,117	1,007	1,007	1,007	1,700	1,433	1,511
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	6	-	21,852	3,007	6,117	1,007	1,007	1,007	1,700	1,433	1,511
<b>Non-Cash Transfers to other municipalities</b>											
<i>Insert description</i>	1										
<b>Total Non-Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to Entities/Other External Mechanisms</b>											
<i>Insert description</i>	2										
<b>Total Non-Cash Transfers To Entities/Ems'</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to other Organs of State</b>											
<i>Insert description</i>	3										
<b>Total Non-Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Grants to Organisations</b>											
<i>Insert description</i>	4										
<b>Total Non-Cash Grants To Organisations</b>		-	-	-	-	-	-	-	-	-	-
<b>Groups of Individuals</b>											
<i>Insert description</i>	5										
<b>Total Non-Cash Grants To Groups Of Individuals:</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>		-	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS</b>	6	-	21,852	3,007	6,117	1,007	1,007	1,007	1,700	1,433	1,511

The above table is indicating the grants in kind made by the municipality to communities as programmes donated to communities.

## 2.8 Councilor and employee benefits

Table 35 MBRR Table SA 22 – Summary of councilor and staff benefits

KZN271 Umhlabuyalingana - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages			8,323	5,240	10,677	8,470	8,470	8,893	9,373	9,879
Pension and UIF Contributions			-	-	-	-	-	-	-	-
Medical Aid Contributions			-	-	-	-	-	-	-	-
Motor Vehicle Allowance			-	-	-	-	-	-	-	-
Cellphone Allowance			1,187	1,021	1,598	1,598	1,598	1,598	1,685	1,776
Housing Allowances			-	-	-	-	-	-	-	-
Other benefits and allowances			2,652	1,747	2,720	2,823	2,823	2,964	3,124	3,293
<b>Sub Total - Councillors</b>		-	12,161	8,008	14,995	12,891	12,891	13,456	14,182	14,948
% increase	4		-	(34.1%)	87.2%	(14.0%)	-	4.4%	5.4%	5.4%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages			5,013	2,716	5,489	4,898	4,898	5,377	5,668	5,974
Pension and UIF Contributions			121	84	63	56	56	133	140	147
Medical Aid Contributions			36	25	-	-	-	39	41	43
Overtime			-	-	-	-	-	-	-	-
Performance Bonus			-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3		816	444	1,468	1,212	1,212	828	873	920
Cellphone Allowance	3		129	77	215	254	254	143	151	159
Housing Allowances	3		518	262	541	525	525	538	567	597
Other benefits and allowances	3		633	162	992	977	977	722	761	802
Payments in lieu of leave			115	-	1,732	2,421	2,421	994	1,047	1,104
Long service awards			-	-	12	12	12	-	-	-
Post-retirement benefit obligations	6		-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		-	7,381	3,769	10,512	10,356	10,356	8,773	9,247	9,746
% increase	4		-	(48.9%)	178.9%	(1.5%)	-	(15.3%)	5.4%	5.4%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages			37,246	28,722	40,200	45,260	45,260	51,446	55,208	58,190
Pension and UIF Contributions			3,299	2,806	4,223	4,650	4,650	5,626	5,930	6,250
Medical Aid Contributions			1,675	1,233	2,191	2,160	2,160	2,187	2,305	2,429
Overtime			1,498	1,274	4,227	1,054	1,054	4,332	4,565	4,812
Performance Bonus			-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3		1,865	1,438	2,064	1,880	1,880	2,384	2,513	2,648
Cellphone Allowance	3		406	413	376	529	529	662	698	736
Housing Allowances	3		109	-	109	109	109	134	141	149
Other benefits and allowances	3		3,781	2,608	3,900	5,337	5,337	5,934	5,270	5,555
Payments in lieu of leave			564	1	6,144	4,603	4,603	7,069	7,450	7,853
Long service awards			160	-	31	43	43	768	809	853
Post-retirement benefit obligations	6		-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		-	50,602	38,494	63,466	65,624	65,624	80,542	84,891	89,475
% increase	4		-	(23.9%)	64.9%	3.4%	-	22.7%	5.4%	5.4%
<b>Total Parent Municipality</b>		-	70,145	50,271	88,974	88,871	88,871	102,770	108,320	114,169
		-	-	(28.3%)	77.0%	(0.1%)	-	15.6%	5.4%	5.4%
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		-	70,145	50,271	88,974	88,871	88,871	102,770	108,320	114,169
% increase	4		-	(28.3%)	77.0%	(0.1%)	-	15.6%	5.4%	5.4%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	-	57,984	42,263	73,979	75,980	75,980	89,314	94,137	99,221

A provision of 6.5% increase on employee related costs and councilors allowances has been made, with the exception of Senior Managers who are having a provision of 10% increase. There is an additional 5.5% provision for municipal grading.

Table 36 MBRR Table SA24 – Summary of personnel numbers

KZN271 Umhlabuyalingana - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2017/18			Current Year 2018/19			Budget Year 2019/20		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>											
Councillors (Political Office Bearers plus Other Councillors)		4	35	–	35	35	–	35	35	–	35
Board Members of municipal entities		5									
<b>Municipal employees</b>											
Municipal Manager and Senior Managers		3	5	1	4	5	1	4	5	1	4
Other Managers		7	–	–	–	–	–	–	–	–	–
Professionals			399	104	295	399	104	295	406	111	295
<i>Finance</i>			25	19	6	25	19	6	26	20	6
<i>Spatial/town planning</i>			4	2	2	4	2	2	4	2	2
<i>Information Technology</i>			7	3	4	7	3	4	7	3	4
<i>Roads</i>											
<i>Electricity</i>									–	–	–
<i>Water</i>											
<i>Sanitation</i>											
<i>Refuse</i>			126	24	102	126	24	102	132	30	102
<i>Other</i>			237	56	181	237	56	181	237	56	181
Technicians			4	3	1	4	3	1	4	3	1
<i>Finance</i>											
<i>Spatial/town planning</i>											
<i>Information Technology</i>											
<i>Roads</i>											
<i>Electricity</i>											
<i>Water</i>											
<i>Sanitation</i>											
<i>Refuse</i>											
<i>Other</i>			4	3	1	4	3	1	4	3	1
Clerks (Clerical and administrative)			15	15	–	15	15	–	15	15	–
Service and sales workers											
Skilled agricultural and fishery workers											
Craft and related trades											
Plant and Machine Operators			4	4	–	4	4	–	4	4	–
Elementary Occupations											
<b>TOTAL PERSONNEL NUMBERS</b>		9	462	127	335	462	127	335	469	134	335
% Increase						–	–	–	1.5%	5.5%	–
<b>Total municipal employees headcount</b>		6, 10									
Finance personnel headcount		8, 10	462	127	335	462	127	335	469	134	335
Human Resources personnel headcount		8, 10									

## 2.9 Monthly targets for revenue, expenditure and cash flow

Table 37 MBRR Table SA 25 – Budgeted monthly revenue and expenditure

KZN271 Umhlabyalingana - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand																
Revenue By Source																
Property rates		2,248	2,248	2,248	2,248	2,248	2,248	2,248	2,248	2,248	2,248	2,248	2,248	26,978	28,435	29,970
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	(0)	(0)	(0)	(0)
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		55	55	55	55	55	55	55	55	55	55	55	55	655	690	728
Rental of facilities and equipment		34	34	34	34	34	34	34	34	34	34	34	34	413	436	459
Interest earned - external investments		108	108	108	108	108	108	108	108	108	108	108	108	1,290	1,360	1,433
Interest earned - outstanding debtors		60	60	60	60	60	60	60	60	60	60	60	60	721	760	801
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		97	97	97	97	97	97	97	97	97	97	97	97	1,168	1,213	1,279
Licences and permits		299	299	299	299	299	299	299	299	299	299	299	299	3,592	3,786	3,990
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		14,541	14,541	14,541	14,541	14,541	14,541	14,541	14,541	14,541	14,541	14,541	14,541	174,495	183,726	198,433
Other revenue		238	238	238	238	238	238	238	238	238	238	238	238	2,853	3,025	3,189
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		17,680	17,680	17,680	17,680	17,680	17,680	17,680	17,680	17,680	17,680	17,680	17,680	212,166	223,431	240,282
Expenditure By Type																
Employee related costs		7,443	7,443	7,443	7,443	7,443	7,443	7,443	7,443	7,443	7,443	7,443	7,443	89,314	94,137	99,221
Remuneration of councillors		1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	13,456	14,182	14,948
Debt impairment		950	950	950	950	950	950	950	950	950	950	950	950	11,400	15,753	19,867
Depreciation & asset impairment		2,136	2,136	2,136	2,136	2,136	2,136	2,136	2,136	2,136	2,136	2,136	2,136	25,627	23,021	24,264
Finance charges		9	9	9	9	9	9	9	9	9	9	9	9	105	111	117
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials		147	147	147	147	147	147	147	147	147	147	147	147	1,768	1,863	1,964
Contracted services		2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	26,183	37,222	41,301
Transfers and subsidies		142	142	142	142	142	142	142	142	142	142	142	142	1,700	1,433	1,511
Other expenditure		2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	34,153	36,432	38,410
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		16,975	16,975	16,975	16,975	16,975	16,975	16,975	16,975	16,975	16,975	16,975	16,975	203,706	224,155	241,603
Surplus/(Deficit)		705	705	705	705	705	705	705	705	705	705	705	705	8,460	(724)	(1,321)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		3,327	3,327	3,327	3,327	3,327	3,327	3,327	3,327	3,327	3,327	3,327	3,327	39,918	36,724	39,321
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,031	48,378	36,000	38,000
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,031	48,378	36,000	38,000

**Table 38 MBRR – Table 26 – Budgeted Monthly income and expenditure revenue (municipal vote)**

KZN271 Umhlaluyalingana - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Budget Year 2019/20														Medium Term Revenue and Expenditure Framework			
Description		Ref	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand																	
Revenue by Vote																	
Vote 1 - EXECUTIVE & COUNCIL			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMIN			17,076	17,076	17,076	17,076	17,076	17,076	17,076	17,076	17,076	17,076	17,076	17,076	204,915	215,712	232,130
Vote 3 - CORPORATE SERVICES			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES			256	256	256	256	256	256	256	256	256	256	256	256	3,067	2,724	2,887
Vote 5 - PLANNING AND DEVELOPMENT			3,318	3,318	3,318	3,318	3,318	3,318	3,318	3,318	3,318	3,318	3,318	3,318	39,815	58,039	59,349
Vote 6 - WATER MANAGEMENT			55	55	55	55	55	55	55	55	55	55	55	55	655	690	728
Vote 7 - PUBLIC SAFETY			303	303	303	303	303	303	303	303	303	303	303	303	3,631	5,038	5,310
Vote 8 - OTHER			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote			21,007	21,007	21,007	21,007	21,007	21,007	21,007	21,007	21,007	21,007	21,007	21,007	252,084	282,204	300,404
Expenditure by Vote to be appropriated																	
Vote 1 - EXECUTIVE & COUNCIL			3,109	3,109	3,109	3,109	3,109	3,109	3,109	3,109	3,109	3,109	3,109	1,057	35,254	41,349	46,092
Vote 2 - FINANCE & ADMIN			3,980	3,980	3,980	3,980	3,980	3,980	3,980	3,980	3,980	3,980	3,980	16,605	60,380	61,955	68,564
Vote 3 - CORPORATE SERVICES			1,953	1,953	1,953	1,953	1,953	1,953	1,953	1,953	1,953	1,953	1,953	1,519	23,002	24,244	25,554
Vote 4 - COMMUNITY SERVICES			3,102	3,102	3,102	3,102	3,102	3,102	3,102	3,102	3,102	3,102	3,102	1,808	35,931	37,354	39,371
Vote 5 - PLANNING AND DEVELOPMENT			3,383	3,383	3,383	3,383	3,383	3,383	3,383	3,383	3,383	3,383	3,383	(7,537)	29,670	61,414	61,862
Vote 6 - WATER MANAGEMENT			162	162	162	162	162	162	162	162	162	162	162	519	2,300	1,792	1,889
Vote 7 - PUBLIC SAFETY			1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	5,397	17,168	18,095	19,073
Vote 8 - OTHER			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote			16,758	16,758	16,758	16,758	16,758	16,758	16,758	16,758	16,758	16,758	16,758	19,366	203,706	246,204	262,404
Surplus/(Deficit) before assoc.			4,249	4,249	4,249	4,249	4,249	4,249	4,249	4,249	4,249	4,249	4,249	1,641	48,378	36,000	38,000
Tax aion			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		1	4,249	4,249	4,249	4,249	4,249	4,249	4,249	4,249	4,249	4,249	4,249	1,641	48,378	36,000	38,000

Table 39 MBRR Table SA27 – Budgeted Income and expenditure (standard classification)

KZN271 Umhlaluyalingana - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Revenue - Functional</b>																
<i>Governance and administration</i>		17,076	17,076	17,076	17,076	17,076	17,076	17,076	17,076	17,076	17,076	17,076	17,076	204,915	215,712	232,130
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		17,076	17,076	17,076	17,076	17,076	17,076	17,076	17,076	17,076	17,076	17,076	17,076	204,915	215,712	232,130
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		258	258	258	258	258	258	258	258	258	258	258	258	3,097	2,724	2,887
Community and social services		256	256	256	256	256	256	256	256	256	256	256	256	3,067	2,724	2,887
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		3	3	3	3	3	3	3	3	3	3	3	3	30	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		3,618	3,618	3,618	3,618	3,618	3,618	3,618	3,618	3,618	3,618	3,618	3,618	43,416	63,078	64,659
Planning and development		312	312	312	312	312	312	312	312	312	312	312	312	3,748	58,039	59,349
Road transport		3,306	3,306	3,306	3,306	3,306	3,306	3,306	3,306	3,306	3,306	3,306	3,306	39,668	5,038	5,310
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>		55	55	55	55	55	55	55	55	55	55	55	55	655	690	728
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		55	55	55	55	55	55	55	55	55	55	55	55	655	690	728
<i>Other</i>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Revenue - Functional</b>		21,007	21,007	21,007	21,007	21,007	21,007	21,007	21,007	21,007	21,007	21,007	21,007	252,084	282,204	300,404
<b>Expenditure - Functional</b>																
<i>Governance and administration</i>		9,259	9,259	9,259	9,259	9,259	9,259	9,259	9,259	9,259	9,259	9,259	16,790	118,636	127,548	140,209
Executive and council		2,988	2,988	2,988	2,988	2,988	2,988	2,988	2,988	2,988	2,988	2,988	936	33,804	38,496	41,837
Finance and administration		6,150	6,150	6,150	6,150	6,150	6,150	6,150	6,150	6,150	6,150	6,150	15,733	83,382	86,199	94,117
Internal audit		121	121	121	121	121	121	121	121	121	121	121	121	1,450	2,853	4,256
<i>Community and public safety</i>		3,253	3,253	3,253	3,253	3,253	3,253	3,253	3,253	3,253	3,253	3,253	142	35,931	37,354	39,371
Community and social services		3,102	3,102	3,102	3,102	3,102	3,102	3,102	3,102	3,102	3,102	3,102	1,808	35,931	37,354	39,371
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		151	151	151	151	151	151	151	151	151	151	151	(1,665)	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		4,301	4,301	4,301	4,301	4,301	4,301	4,301	4,301	4,301	4,301	4,301	(476)	46,839	79,510	80,935
Planning and development		3,166	3,166	3,166	3,166	3,166	3,166	3,166	3,166	3,166	3,166	3,166	(5,154)	29,670	61,414	61,862
Road transport		1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	4,679	17,168	18,095	19,073
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>		162	162	162	162	162	162	162	162	162	162	162	519	2,300	1,792	1,889
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		162	162	162	162	162	162	162	162	162	162	162	519	2,300	1,792	1,889
<i>Other</i>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Expenditure - Functional</b>		16,975	16,975	16,975	16,975	16,975	16,975	16,975	16,975	16,975	16,975	16,975	16,975	203,706	246,204	262,404
<b>Surplus/(Deficit) before assoc.</b>		4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,032	48,378	36,000	38,000
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit)</b>	1	4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,031	4,032	48,378	36,000	38,000



Table 39 MBRR Table SA28 – Budgeted Income and expenditure (standard classification)

KZN271 Umhlabyalingana - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>R thousand</b>																
<i>Multi-year expenditure to be appropriated</i>	1															
Vote 1 - EXECUTIVE & COUNCIL														-	-	-
Vote 2 - FINANCE & ADMIN														-	-	-
Vote 3 - CORPORATE SERVICES														-	-	-
Vote 4 - COMMUNITY SERVICES														-	-	-
Vote 5 - PLANNING AND DEVELOPMENT														-	-	-
Vote 6 - WATER MANAGEMENT														-	-	-
Vote 7 - PUBLIC SAFETY														-	-	-
Vote 8 - OTHER														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Single-year expenditure to be appropriated</i>																
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMIN		108	108	108	108	108	108	108	108	108	108	108	178	1,360	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	8,000	5,000
Vote 5 - PLANNING AND DEVELOPMENT		4,452	4,452	4,452	4,452	4,452	4,452	4,452	4,452	4,452	4,452	4,452	4,452	53,418	49,289	53,000
Vote 6 - WATER MANAGEMENT		50	50	50	50	50	50	50	50	50	50	50	50	600	-	-
Vote 7 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - OTHER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	5,609	5,609	5,609	5,609	5,609	5,609	5,609	5,609	5,609	5,609	5,609	5,679	67,378	57,289	58,000
Total Capital Expenditure	2	5,609	5,609	5,609	5,609	5,609	5,609	5,609	5,609	5,609	5,609	5,609	5,679	67,378	57,289	58,000

Table 39 MBRR Table SA29 – Budgeted monthly capital expenditure (functional classification)

KZN271 Umhlabyalingana - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Capital Expenditure - Functional</b>	<b>1</b>															
<i>Governance and administration</i>		113	113	113	113	113	113	113	113	113	113	113	113	1,360	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		113	113	113	113	113	113	113	113	113	113	113	113	1,360	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	8,000	21,500
Community and social services		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	8,000	5,000
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,500
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		2,868	2,868	2,868	2,868	2,868	2,868	2,868	2,868	2,868	2,868	2,868	(2,132)	29,418	28,000	16,500
Planning and development		1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	(3,958)	7,500	-	-
Road transport		1,827	1,827	1,827	1,827	1,827	1,827	1,827	1,827	1,827	1,827	1,827	1,827	21,918	28,000	16,500
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633	24,600	21,289	20,000
Energy sources		1,583	1,583	1,583	1,583	1,583	1,583	1,583	1,583	1,583	1,583	1,583	1,583	24,000	21,289	20,000
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		50	50	50	50	50	50	50	50	50	50	50	50	600	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	<b>2</b>	5,615	5,615	5,615	5,615	5,615	5,615	5,615	5,615	5,615	5,615	5,615	5,615	67,378	57,289	58,000
<b>Funded by:</b>																
National Government		4,410	4,410	4,410	4,410	4,410	4,410	4,410	4,410	4,410	4,410	4,410	4,410	52,918	57,289	58,000
Provincial Government		417	417	417	417	417	417	417	417	417	417	417	417	5,000	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	57,918	57,289	58,000
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		788	788	788	788	788	788	788	788	788	788	788	788	9,460	-	-
<b>Total Capital Funding</b>		5,615	5,615	5,615	5,615	5,615	5,615	5,615	5,615	5,615	5,615	5,615	5,615	67,378	57,289	58,000

Table 40 MBR SA 30 – Budgeted monthly cash flow

KZN271 Umhlaluyalingana - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand													1		
<b>Cash Receipts By Source</b>															
Property rates	1,484	1,484	1,484	1,484	1,484	1,484	1,484	1,484	1,484	1,484	1,484	1,484	17,805	17,767	19,780
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	23	23	23	23	23	23	23	23	23	23	23	23	275	290	306
Rental of facilities and equipment	32	32	32	32	32	32	32	32	32	32	32	32	380	401	422
Interest earned - external investments	108	108	108	108	108	108	108	108	108	108	108	108	1,290	1,360	1,433
Interest earned - outstanding debtors	60	60	60	60	60	60	60	60	60	60	60	60	721	760	801
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	48	48	48	48	48	48	48	48	48	48	48	48	577	608	640
Licences and permits	299	299	299	299	299	299	299	299	299	299	299	299	3,592	3,786	3,990
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	58,165	-	-	-	-	58,165	-	-	58,165	-	-	-	174,495	183,726	198,433
Other revenue	238	238	238	238	238	238	238	238	238	238	238	238	2,853	3,025	3,189
<b>Cash Receipts by Source</b>	60,456	2,291	2,291	2,291	2,291	60,456	2,291	2,291	60,456	2,291	2,291	2,291	201,989	211,722	228,995
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	21,389	-	-	4,750	-	16,389	-	-	16,389	-	-	0	58,918	58,013	59,321
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	81,845	2,291	2,291	7,041	2,291	76,845	2,291	2,291	76,845	2,291	2,291	2,291	260,907	269,735	288,316
<b>Cash Payments by Type</b>															
Employee related costs	7,443	7,443	7,443	7,443	7,443	7,443	7,443	7,443	7,443	7,443	7,443	7,443	89,314	94,137	99,221
Remuneration of councillors	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	13,456	14,182	14,948
Finance charges	9	9	9	9	9	9	9	9	9	9	9	9	105	111	117
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	147	147	147	147	147	147	147	147	147	147	147	147	1,768	1,863	1,964
Contracted services	2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	26,183	37,222	41,301
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	142	142	142	142	142	142	142	142	142	142	142	142	1,700	1,433	1,511
Other expenditure	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	34,153	36,432	38,410
<b>Cash Payments by Type</b>	13,890	13,890	13,890	13,890	13,890	13,890	13,890	13,890	13,890	13,890	13,890	13,890	166,679	185,381	197,472
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	5,615	5,615	5,615	5,615	5,615	5,615	5,615	5,615	5,615	5,615	5,615	5,615	67,378	57,289	58,000
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	19,505	19,505	19,505	19,505	19,505	19,505	19,505	19,505	19,505	19,505	19,505	19,505	234,057	242,670	255,472
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	62,341	(17,214)	(17,214)	(12,464)	(17,214)	57,341	(17,214)	(17,214)	57,341	(17,214)	(17,214)	(17,214)	26,850	27,065	32,844
Cash/cash equivalents at the month/year begin:	51,473	113,814	96,600	79,386	66,923	49,709	107,050	89,836	72,623	129,964	112,750	95,536	51,473	78,323	105,388
Cash/cash equivalents at the month/year end:	113,814	96,600	79,386	66,923	49,709	107,050	89,836	72,623	129,964	112,750	95,536	78,323	78,323	105,388	138,232

## 2.10 SDBIP's – Internal departments

Departmental draft SDBIP's for 2019/2020 financial year are attached to this report as annexure D

## 2.11 Capital expenditure details

The tables below indicates the capital expenditure by asset class, repairs and maintenance expenditure by asset class, depreciation by asset class, future implication of capital budget and detailed capital budget.

Table 41 MBRR Table SA 34a – Capital expenditure on new assets by asset class

KZN271 Umhlabuyalingana - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		–	44,091	20,704	38,700	23,130	23,130	45,918	49,289	36,500
Roads Infrastructure		–	44,091	20,704	20,700	23,130	23,130	21,918	28,000	16,500
Roads		–	44,091	20,704	20,700	23,130	23,130	21,918	28,000	16,500
Road Structures		–						–	–	–
Electrical Infrastructure		–	–	–	18,000	–	–	24,000	21,289	20,000
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	18,000	–	–	24,000	21,289	20,000
Community Assets		4,767	4,922	13,962	13,079	15,572	15,572	12,000	8,000	21,500
Community Facilities		4,767	4,922	13,962	13,079	15,518	15,518	12,000	8,000	5,000
Halls		4,767	4,922	13,962	13,079	15,518	15,518	12,000	8,000	5,000
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	54	54	–	–	16,500
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		–	–	–	–	54	54	–	–	16,500
Capital Spares		–	–	–	–	–	–	–	–	–
Computer Equipment		322	146	1,001	350	350	350	400	–	–
Computer Equipment		322	146	1,001	350	350	350	400	–	–
Furniture and Office Equipment		–	–	–	–	–	–	1,260	–	–
Furniture and Office Equipment		–	–	–	–	–	–	1,260	–	–
Machinery and Equipment		157	–	–	500	500	500	600	–	–
Machinery and Equipment		157	–	–	500	500	500	600	–	–
Transport Assets		64,947	4,204	3,751	700	1,048	1,048	7,200	–	–
Transport Assets		64,947	4,204	3,751	700	1,048	1,048	7,200	–	–
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on new assets	1	70,192	53,363	39,418	53,329	40,601	40,601	67,378	57,289	58,000

**Table 42 MBRR Table SA34c Repairs and maintenance expenditure by asset class**

KZN271 Umhlabuyalingana - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		16,877	6,834	1,134	1,600	1,600	1,600	1,600	1,686	1,777
Roads Infrastructure		16,551	6,609	1,050	1,600	1,600	1,600	1,600	1,686	1,777
Roads		16,551	6,609	936	1,600	1,600	1,600	1,600	1,686	1,777
Road Structures				114						
Road Furniture										
Capital Spares										
Storm water Infrastructure		284	207	–	–	–	–	–	–	–
Drainage Collection		284	207							
Storm water Conveyance										
Attenuation										
Water Supply Infrastructure		–	–	52	–	–	–	–	–	–
Dams and Weirs										
Boreholes				52						
Community Assets										
		654	1,232	314	661	661	661	200	211	222
Community Facilities		654	1,232	314	661	661	661	200	211	222
Halls					526	526	526			
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries			–	–	135	135	135	200	211	222
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space		654	1,232	314						
Other assets										
		3,846	1,505	509	700	421	421	450	474	500
Operational Buildings		3,846	1,505	509	700	421	421	450	474	500
Municipal Offices		3,846	1,505	509	700	421	421	450	474	500
Intangible Assets										
		–	55	–	–	–	–	–	–	–
Servitudes										
Licences and Rights		–	55	–	–	–	–	–	–	–
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications			55							

<i>Load Settlement Software Applications</i>										
<i>Unspecified</i>										
<u>Computer Equipment</u>		381	163	67	81	81	81	81	86	90
Computer Equipment		381	163	67	81	81	81	81	86	90
<u>Furniture and Office Equipment</u>		9	4	–	–	–	–	–	–	–
Furniture and Office Equipment		9	4							
<u>Machinery and Equipment</u>		1,151	26	59	348	348	348	430	453	478
Machinery and Equipment		1,151	26	59	348	348	348	430	453	478
<u>Transport Assets</u>		3,428	1,467	2,240	1,600	1,600	1,600	1,800	1,897	2,000
Transport Assets		3,428	1,467	2,240	1,600	1,600	1,600	1,800	1,897	2,000
<u>Land</u>		–	–	–	–	–	–	–	–	–
Land										
<u>Zoo's, Marine and Non-biological Animals</u>		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Repairs and Maintenance Expenditure	1	26,345	11,285	4,322	4,990	4,712	4,712	4,561	4,808	5,067
<i>R&amp;M as a % of PPE</i>		10.7%	4.1%	1.5%	2.0%	1.5%	1.5%	1.4%	1.5%	1.5%
<i>R&amp;M as % Operating Expenditure</i>		14.9%	5.6%	2.5%	2.7%	2.1%	2.1%	2.1%	2.4%	2.3%

Table 43 MBRR Table SA34d – Depreciation by asset class

KZN271 Umhlabuyalingana - Supporting Table SA34d Depreciation by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		10,643	12,896	13,403	13,787	14,850	14,850	14,611	11,410	12,027
Roads Infrastructure		10,643	12,896	13,363	13,057	13,911	13,911	13,955	10,719	11,298
Roads		10,643	12,896	13,363	13,057	13,746	13,746	13,500	10,239	10,793
Road Structures		-	-	-	-	165	165	165	174	183
Road Furniture		-	-	-	-	-	-	290	306	322
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	286	286	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	286	286	-	-	-
Water Supply Infrastructure		-	-	-	330	-	-	-	-	-
Dams and Weirs			-	-		-	-	-	-	-
Boreholes		-	-	-	330					
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		-	-	40	400	652	652	656	691	729
Landfill Sites		-	-	40	400	316	316	320	337	355
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities						336	336	336	354	373
Electricity Generation Facilities										
Capital Spares										

<b>Community Assets</b>		-	-	3,704	4,382	6,783	6,783	6,798	7,165	7,552
<b>Community Facilities</b>		-	-	3,704	4,382	5,285	5,285	5,298	5,584	5,886
Halls		-	-	3,704	3,652	3,437	3,437	3,437	3,623	3,818
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	23	23	24	26	27
Clinics/Care Centres		-	-	-	-	29	29	31	32	34
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	730	72	72	76	80	85
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	1,724	1,724	1,730	1,823	1,922
Abattoirs		-	-	-	-	-	-	-	-	-
<b>Airports</b>		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Sport and Recreation Facilities</b>		-	-	-	-	1,498	1,498	1,500	1,581	1,666
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	-	-	-	1,498	1,498	1,500	1,581	1,666
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		5,590	6,086	5,344	3,900	1,295	1,295	1,367	1,441	1,519
<b>Operational Buildings</b>		5,590	6,086	5,344	3,900	1,295	1,295	1,367	1,441	1,519
Municipal Offices		5,590	6,086	5,344	3,900	1,295	1,295	1,367	1,441	1,519
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		220	463	157	600	365	365	365	385	405
<b>Servitudes</b>		-	-	-	-	-	-	-	-	-
<b>Licences and Rights</b>		220	463	157	600	365	365	365	385	405
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		220	463	157	600	365	365	365	385	405
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		337	416	387	400	340	340	340	358	378
Computer Equipment		337	416	387	400	340	340	340	358	378
<b>Furniture and Office Equipment</b>		292	237	242	450	280	280	250	264	278
Furniture and Office Equipment		292	237	242	450	280	280	250	264	278
<b>Machinery and Equipment</b>		406	40	396	380	480	480	480	506	533
Machinery and Equipment		406	40	396	380	480	480	480	506	533
<b>Transport Assets</b>		696	1,038	841	1,030	1,385	1,385	1,415	1,492	1,572
Transport Assets		696	1,038	841	1,030	1,385	1,385	1,415	1,492	1,572
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Depreciation</b>	1	18,184	21,177	24,474	24,929	25,778	25,778	25,627	23,021	24,264



Table 45 MBRR Table SA 36 – Detailed capital budget

KZN271 Umhlabuyalingeni - Supporting Table SA36 Detailed capital budget													2019/20 Budgetary Framework & Expenditure Framework							
Function	Project Description	Project Number	Type	MSP Service Outcome	RUBF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2017/18	Current Year 2018/19 Full Year Forecast	Budget Year 2019/20			Budget Year -1 2020/21		Budget Year +2 2021/22	
														Budget Year 2019/20	Budget Year -1 2020/21	Budget Year +2 2021/22				
Parent Municipality																				
List of capital projects grouped by function																				
Roads	PK Tareel road	1	New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Roads Infrastructure	Roads	1								2,300			
	Mazweni to KwaMkomo road	2	New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Roads Infrastructure	Roads	3								5,000			
	Mantengwenya access road	3	New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Roads Infrastructure	Roads	8								5,000			
	Esiphelele access road	4	New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Roads Infrastructure	Roads	2								4,618			
	Maphahlele traditional authority access	5	New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Roads Infrastructure	Roads	15								5,000			
	Emfuzakweni access road		New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Roads Infrastructure	Roads	17								5,000			
	West 4 access road		New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Roads Infrastructure	Roads	5								5,000			
	Makulu access road		New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Roads Infrastructure	Roads	5								5,000			
	Road way - 7 West to Mangos MPC		New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Roads Infrastructure	Roads	1								8,000			
	Nevalind access road		New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Roads Infrastructure	Roads	7								5,000			
	Mangos Internal road		New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Roads Infrastructure	Roads	1									10,000		
	Moses Zikhali access road		New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Roads Infrastructure	Roads	2									6,500		
	Other roads											20,704	23,135							
	Electrification projects	Wagon to Mankulu Electrification project		New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Electrical Infrastructure	MP Networks									11,000		
		Mangos Electrification		New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Electrical Infrastructure	MP Networks	1								6,000		
Ward 17 Electrification project			New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Electrical Infrastructure	MP Networks	17								21,289			
Ward 4Mkomo Electrification project			New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Electrical Infrastructure	MP Networks										20,000		
Ward 4Mkomo Electrification			New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Electrical Infrastructure	MP Networks	7								5,000			
Halls	Mangos Multi purpose center	6	New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Community Facilities	Halls	1								7,000	8,000		
	Ward 12 community hall	7	New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Community Facilities	Halls	12								5,000			
	ward 5 community hall		New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Community Facilities	Halls	5									5,000		
Other halls											13,952	15,918								
Sportsfields	Ward 4 Sportsfield		New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Sport and Recreation Facilities	Outdoor Facilities	4									5,500		
	Ward 11 Sportsfield		New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Sport and Recreation Facilities	Outdoor Facilities	11									5,500		
	Mkhongweni sportsfield		New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Sport and Recreation Facilities	Outdoor Facilities										5,500		
	Other sportsfields																	5,500		
OTHER ASSETS	Computer equipment		New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Computer Equipment											470		
	Plant and Equipment		New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Machinery and Equipment											6,000		
	Trucks		New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Transport Assets										1,200			
	Furniture and equipment		New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Furniture and Office Equipment											1,100		
	Waste skip bins		New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Solid Waste Infrastructure											200		
	Waste skip bins		New	accountable, effective and efficient local	Inclusion and access	en of basic service to our comm	Solid Waste Infrastructure											400		
	Other assets											4,752	1,888							
												39,418	48,801	67,378	57,289	58,000				
Entity A																				
Water project A																				
Entity B																				
Electricity project B																				
Entity Capital expenditure																				
Total Capital expenditure													39,418	48,801	67,378	57,289	58,000			

## 2.12 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

- In year reporting  
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved.
- Internship programme  
The municipality is participating in the Municipal Financial Management internship programme and has employed 5 interns undergoing training on various divisions of the Financial Services Department.
- Budget and Treasury Office  
The Budget and Treasury Office has been established in accordance with the MFMA.
- Audit Committee  
An Audit Committee has been established as is fully functional
- Service Delivery and Implementation Plan
- Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements and was tabled to Council in January 2019
- Policies  
Budget related policies were reviewed and approved by council on 30 May 2019

## 2.13 Other supporting documents

IDP copy is attached to this document as annexure E supporting document.

## 2.14 Municipal manager's quality certificate

I, Nonhlanhla P. Gamede, municipal manager of Umhlabuyalingana Municipality, hereby certify that the Municipal Finance Management Act and the regulation made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name - Nonhlanhla P Gamede

Municipal manager of Umhlabuyalingana Municipality (KZN 271)

Signature \_\_\_\_\_

Date \_\_\_\_\_